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ABSTRACT

This first annual report by the Dusseldorp Skills Forum on the situation of young Australians provides a national perspective on developments that have affected 15-19 year olds during the 1990s. An overview chapter, "Youth: The Rhetoric and the Reality of the 1990s" (Richard Sweet), addresses these topics: education-work transition; the labor market and youth; vocational education and training and youth; national targets; and building bridges from insecure to secure employment. "Rapporteur's Observations" (Meredith Edwards) addresses issues generally, some concerns expressed, and some possible policy directions. "The Labor Market for Young Australians" (Mark Wooden) provides a statistical overview of the labor market for teenagers drawing primarily on labor force survey data. "School Participation, Retention, and Outcomes" (John Ainley) addresses the decline in school completion, characteristics of secondary school completers, and destinations of school leavers. "Young People's Participation in and Outcomes from Vocational Education" (Chris Robinson, Katrina Ball) offers a profile of 15-19 year olds in the vocational education sector from 1990-96 and of apprentices and trainees and describes factors affecting uptake of apprenticeships and traineeships. "Young Peoples' Participation in Higher Education" (Simon Marginson) addresses changes in enrollments and participation rates. "Young People and Labor Market Disadvantage: The Situation of Young People Not in Education or Full-Time Work" (Alison McClelland, Helen MacDonald, Fiona MacDonald) examines the young people engaged in marginal activities who may face limited choices about their job and income situation in the future. "Youth Incomes" (John Landt, Phillip Scott) examines incomes of 15-19 year olds in 1994-95, using the most recent Australian Bureau of Statistics survey. "Expenditure on Education and Training: Estimates by Sector and Course" (Gerald Burke) provides an overview of aggregate and sector expenditures. Three brief commentaries represent an initial response from key organizations in the community sector, labor movement, and business to the seven papers. An executive summary is attached. (YLB)

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Australia's youth: reality and risk.

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A national perspective on developments that have affected 15-19 year olds during the 1990s

...life after school for

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Australia's Youth:
Reality and Risk

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Australia's youth: reality and risk

Dusseldorp Skills Forum

In Cooperation With

Australian Council for Educational Research
Brotherhood of St Laurence
The Monash University - ACER Centre for the Economics of Education and Training
Centre for the Study of Higher Education, University of Melbourne
National Centre of Social and Economic Modelling, University of Canberra
National Centre for Vocational Education Research
National Institute of Labour Studies, the Flinders University of South Australia

March 1998

Contents

Preface
Jack Dusseldorp,
Dusseldorp Skills Forum

Youth: The rhetoric and the reality of the 1990s
Richard Sweet
Dusseldorp Skills Forum

Rapporteur's observations
Meredith Edwards
University of Canberra

The labour market for young Australians
Mark Wooden
National Institute of Labour Studies

School participation, retention and outcomes
John Ainley
Australian Council for
Educational Research

Young peoples' participation in and outcomes from vocational education and training
Katrina Ball and Chris Robinson
National Centre for
Vocational Education Research

Young peoples' participation in higher education
Simon Marginson
Centre for the Study of Higher education

Young people and labour market disadvantage: The situation of young people not in education or full-time work
Alison McClelland, Fiona Macdonald
and Helen MacDonald
Brotherhood of St Laurence

Youth incomes
John Landt and Philip Scott
National Centre of Social and Economic
Modelling

Expenditure on education and training: estimates by sector and course
Gerald Burke
Centre for the Economics of Education
and Training

Responses

Australian Youth Policy and Action
Coalition and Australian Council of
Social Service

Evatt Foundation and Australian
Council of Trade Unions

Australian Chamber of Commerce
and Industry and Business Council
of Australia

Preface

This is the first of what will become an annual report by the Dusseldorp Skills Forum on the situation of young Australians. It provides a national perspective on developments that have affected 15 to 19 year olds during the 1990s. Its scope is broad, encompassing schools, income support, public expenditure, vocational education, the labour market, and higher education. It aims to put credible and comprehensive information before policy makers as a basis for debate and decision making.

In common with nearly all the Forum's work the production of this volume has been a cooperative effort, undertaken in voluntary partnership with the seven national research organisations listed above.

In addition to breadth, this collection of research papers has an unusual degree of coherence as the authors conducted their analyses against agreed briefs using a common analytical framework. This feature alone distinguishes the papers from those typically presented at policy research conferences.

Professor Meredith Edwards, Deputy Vice Chancellor of the University of Canberra, provided a rapporteur's response to the seven core papers when they were presented to a national forum in Parliament House in November 1997. Her comments are reproduced in this publication, together with an overview chapter by Richard Sweet, Research Coordinator of the Dusseldorp Skills Forum.

Six national sectoral organisations have also provided reactions to the seven papers: the Australian Youth Policy and Action Coalition and the Australian Council of Social Service; the Evatt Foundation and the Australian Council of Trade Unions; and the Australian Chamber of Commerce and Industry and the Business Council of Australia.

The report offers a more integrated understanding of the situation faced by young people making the transition from full-time education to full-time work. It makes clear that conventional unemployment measures are too narrow as an indication of the scale and nature of the problems now facing youth. Similarly, it reveals that existing national targets are focussed more on participation than outcomes, and are less than transparent in their interpretation. Therefore we propose in future reports to include additional indicators which focus on outcomes for young people which are readily comparable to international data produced by the OECD.

Jack Dusseldorp
Chairman, Dusseldorp Skills Forum

Youth: The rhetoric and the reality of the 1990s

Richard Sweet
Research Coordinator
Dusseldorp Skills Forum

What is the problem?

Twenty-five years ago the transition from initial education to working life was a simple matter for most young Australians. Apart from the small proportion who continued to the last two years of high school, most left school at the age of 15 or 16, after completing three or four years of secondary education, and very quickly got a job. Unless they were part of the small group (mostly males) who gained an apprenticeship – at most one in ten of the cohort – this job involved little further education or training. The skills required by working life could, for most, be acquired through the workplace.

Since then, the world has become more complex. The labour market distributes its rewards less readily, and its requirements for skills and qualifications have changed. Since the mid 1970s the difficulties that young people have had in securing a firm foothold in working life have come to be encapsulated, in the public mind as much as in policy makers' priorities, in the phrase "youth unemployment". Being seen to be taking youth unemployment seriously, to have fresh proposals for tackling it, has become almost obligatory for governments from both sides of the house, both State and Federal, as each election comes around.

Early work experience in a full-time job has been the major stepping stone to adult working life for the great majority of Australians for most of the period since the end of the Second World War. During the 1990s this stepping stone was largely removed. The number of full-time jobs held by teenagers more than halved from 424,00 to 205,000 between the mid 1980s and the mid 1990s. The proportion of 15-19 year olds with a full-time job fell from 32 percent in the mid 1980s to 28 percent at the beginning of the 1990s and then to 17 percent by August 1996.

Young people face several hurdles in their efforts to gain adult status. They have to find work, complete their initial education, leave the parental home, set up new living arrangements and form stable personal relationships outside their family. Finding stable employment markedly affects the chances of youth achieving the other transitions to adulthood. A successful move for young people from full-time education to full-time work is a crucial step in their efforts to become independent adults.

The problem faced by young Australians is broader and more complex than youth unemployment, as the papers in this volume so clearly illustrate. The unemployment rate is a poor measure of what is happening to school leavers. For every young person who is looking for work, at least one more can be found who is not counted in the official statistics on unemployment, but who is not involved in full-time work or full-time study.

In total, almost 15 percent of all 15-19 year olds are neither in full-time education nor in full-time work, and this proportion has grown during the 1990s. The problem that young people face in making the transition from initial education to working life is not only to find work but to be able to escape from a cycle of insecure, casual, temporary and part-time work after they leave school. Many completely drop out of both education and the labour market.

McClelland, Macdonald and MacDonald point out that the 78,200 15-19 year olds who were unemployed and not studying in 1996 were matched by another 67,800 who were in part-time work but not studying and another 41,700 who were neither studying nor in the labour market. Perhaps around 25,000 of the latter group can be accounted for by those on a variety of social security pensions and allowances, and some are in institutions. But many cannot be accounted for at all.

As several authors in this volume point out, the growing tendency for young people after they leave school to find themselves in part-time work rather than full-time work presents them with particular problems. Part-time work for many young people is casual, seasonal or temporary. It pays poorly, is insecure, and it offers few opportunities for formal training. Those who are in part-time jobs are frequently not entitled to many common employment benefits and lack effective union representation. Many young people often begin their working lives denied access to the same career paths and training opportunities available to members of the permanent work force.

For those who work part-time as students this need present few problems, as their principal identity comes from their studies. However for those who are not full-time students it is another story. It is telling, as Wooden in his paper points out, that a large majority of non-student teenagers who are in part-time jobs would prefer not to be, but to have a full-time job.

The issue is whether low paid, part-time or temporary employment is a stepping stone to other better paid work or a trap that it is hard to escape from. Longitudinal data from the Australian Council for Educational Research indicate that around one-fifth of 18 and 19 year olds spent at least 12 months of the two-year period 1993 and 1994 in neither full-time employment nor full-time education (Sweet, 1996). This proportion was even higher (about one in three) for those who had low levels of academic performance in school, or who were from low socio-economic backgrounds. The data also show that the longer that teenagers were outside of full-time education or full-time employment, the greater the likelihood that their mobility within this two-year period was from one marginal activity to another such as from part-time work to unemployment or to another part-time job.

These data are consistent with OECD evidence, for countries other than Australia, that escaping from a low paid job can be a temporary phenomenon. Many workers in low paid jobs in the UK, United States, Germany, France and Italy can remain in these jobs for between two to four years. There is also evidence from countries for which data are available of a "carousel" effect: many workers seem to move back and forth from low pay to no pay (OECD 1997:39).

It is important to see all marginal young people - not only the unemployed but also those who are outside the labour force but not studying, and those in precarious part-time work - as a single group for policy purposes. This is because for many young people the boundaries between unemployment and other forms of marginalisation are highly fluid. Landt and Scott show that some 30 percent of 15-19 year olds change their main activity at least once in any six-month period, with significant movements occurring in and out of the labour force and between unemployment and other activities.

McClelland, Macdonald and MacDonald refer to other evidence which suggests considerable milling and churning within various forms of marginal activity within the immediate post-school years. The need for policy makers to see marginalisation as a whole is also underscored by the fact that the way in which it manifests itself varies widely by age and gender. The youngest teenagers who are not studying and who do not have a full-time job are most likely to be unemployed, particularly young males. But for older teenagers, especially young women, isolation from full-time study or full-time work is more likely to be manifest in insecure part-time work or in completely dropping out of both the search for work and study. Yet each group is a manifestation of a common problem - the marginalisation of young people from the labour market and hence society more generally - and they need to be treated as such in policy responses.

Stepping stone or trap?

If finding oneself on the fringes of full-time work or full-time study was only a temporary and short term phenomenon on the road to permanent work or full-time study, it might be of relatively little concern for policy purposes. But it appears not to be. McClelland, Macdonald and MacDonald present disturbing evidence of a substantial group of young people - around 9 percent of the population - who are locked into marginal activities fairly consistently for up to three years. This is a group who, by the age of 19, have not participated in higher education, apprenticeships or training, have been unemployed for at least a third of their time since leaving school, and are unemployed or in part-time work at the age of 19.

The potential for longer term scarring to be associated with this form of early post-school experience is speculated upon by Wooden. Research in both the United States and Sweden points out that failure to make an early transition to permanent work or to full-time study can indeed be associated with quite long term risks of being trapped in a cycle of unemployment, part-time work and labour market programs rather than constructive career development (Kierman and Karoly, 1995; Schröder, 1996). Australian evidence is far from perfect, and there is an urgent need for more extensive analysis of existing longitudinal data sets, such as those managed by the Australian Council for Educational Research, to provide better data for policy development.

The size of the group who, through one or another form of marginalisation, are at risk in the transition from initial education to working life, is disturbing enough. But, as McClelland, Macdonald and MacDonald point out, the figure that they present is likely to be an underestimate to the extent that it does not take into account those who are in precarious forms of temporary or seasonal full-time work. And it is also likely to be underestimated, as Wooden implies, by the large numbers of students who are only marginally attached to schooling, and who would take a suitable job if one were to arise.

Nature of the work available to young people

The decline in the ability of post-school paid employment during the 1990s to act as a stable stepping stone to adult working life is reflected in the nature of the work available to teenagers, as well as in the changing quantity of work available to them. One indication of this change in the quality of young people's work is Burke's figures which show that the number of 15-19 year old wage and salary earners who received in-house training more than halved between 1989 and 1993, falling from 147,000 to 65,000. Another indication is the rising number of teenagers who are not studying but are employed part-time. Yet another is the growing number of teenagers who, as Ainley reveals, leave school and proceed directly to insecure part-time jobs that rarely involve any formal training.

Another indication of the changes that have occurred in the quality of the work available to young people is the changing nature of the full-time jobs that they obtain. Wooden shows a noticeable shift from better paid and more highly skilled jobs towards those that pay less well and require fewer skills. One result of this has been a noticeable fall in young people's earnings from full-time work. This shown by both Wooden and Landt and Scott, using different data sources. As well Landt and Scott point to a marked drop in young people's earnings from part-time work.

The problem faced by young school leavers is clearly broader than unemployment. The evidence presented in this volume demonstrates a failure by our major institutions - the labour market, education and training - to provide stable work and education and training opportunities for a significant proportion of Australia's youth. This applies particularly to those early school leavers who are least able to build a secure and stable bridge to adult life.

Have teenagers benefited from policy developments in the 1990s?

The education, employment and training of young people have been key concerns of Commonwealth and State governments for more than a decade. The underlying objectives of the policies, programs and expenditures that have flowed from this concern have been few and simple:

- To reduce youth unemployment;
- To increase young people's access to and outcomes from vocational education and training, particularly through apprenticeships and traineeships;
- To increase the numbers who stay at school to complete Year 12;
- To increase the number of young people entering university.

The evidence presented in this volume suggests that young Australians have gained few substantial benefits from the dollars, words and policy efforts expended upon them over the last decade. Many key indicators of the situation of young people in learning and work during the 1990s either show no progress, a reversal of improvements observed in the 1980s, or indicate a deterioration at an accelerating rate in their position in relation to other groups in society.

The labour market and young people

On the indicator that has been of most concern to policy makers - youth unemployment - the 1990s have shown no real improvement. Indeed after reviewing four alternative measures of youth unemployment, Wooden concludes that the long term trend has been upwards, even if it is currently trending downwards. Youth unemployment has certainly fallen from its 1992 peak, but is currently no lower in real terms, using Wooden's preferred measure, than it was at the beginning of the decade.

Wooden's paper in particular, together with those by McClelland, Macdonald and MacDonald, Landt and Scott, Ainley and Burke highlight other indicators of the on-going deterioration of the labour market for teenagers during the 1990s:

- Teenagers' full-time employment opportunities continued to decline, despite an increase in full-time employment in the labour force as a whole. Full-time work fell sharply as a destination for school leavers. The rate at which full-time employment has fallen for teenagers in the 1990s has been far greater than the rates of decline observed either in the 1970s or the 1980s;

- There has been a growth in the number of non-students and of school leavers involuntarily found in insecure part-time work not linked to training or education. In this respect, the 1990s again differs from previous decades, in which growth in part-time teenage employment occurred largely among students;

- The number of teenagers neither in education nor in full-time work has risen appreciably - from 12 percent of the population in 1990 to 15 percent in 1996. The rate of growth of participation in marginal activities has been particularly sharp for young men - from 10 percent to 14 percent, compared to an increase from 14 percent to 16 percent of the age group in the case of young women;

- Those teenagers with a full-time job have become increasingly concentrated in lower paid and lesser skilled work;

- The number of teenage employees receiving in-house training more than halved between 1989 and 1993 (the only period for which data are available); and

- Young people's earnings from both full-time and part-time employment fell, in the face of an increase in real earnings among employees as a whole. Real earnings from full-time work among 15-19 year olds fell by 6 percent between the early 1980s and the mid 1990s and earnings from part-time work fell by 29 percent. These declines occurred despite an increase, due to rising school retention rates, in the average age of teenage workers leading to a higher proportion of those employed having earnings towards the upper rather than the lower end of age based wage scales.

Early school leavers and the labour market

These developments have had a particular impact upon early school leavers. Full-time employment among those under the age of 18 fell by 51 percent between 1990 and 1996, but by 41 percent among 18-19 year olds. Ainley shows that those who have not completed Year 12 are more likely to enter part-time work unlinked to study than are Year 12 leavers.

McClelland, Macdonald and MacDonald show that the incidence of marginalised activity is more than twice as high among early leavers as it is among those who have completed Year 12. They further show that early leavers are more than three times as likely to be engaged in marginal activities for extended periods than are those who have completed Year 12. Landt and Scott show that the fall in incomes from full-time work has been particularly large among 16-17 year olds, and that the fall in incomes from part-time work has been particularly great among 16-17 year old males.

Schooling

Year 12 retention rates, after rising sharply in the 1980s, peaked at 77 percent in 1992, but have since fallen to 71 percent (in 1996). The fall in the holding power of Australia's schools has been most evident at Year 12, but it can also be observed at Years 10 and 11. The Year 10 retention rate has fallen below 1990 levels, the Year 11 retention rate is below the 1991 level, and the Year 12 retention rate has fallen to 1991 levels.

The fall in school retention and participation during the 1990s is doubly striking, as it has occurred in the face of a continued fall in full-time employment opportunities. As a consequence it is not possible to argue that young people have been attracted out of school by an expanding labour market. In this respect the experience of the 1990s is in marked contrast to the experience of the 1970s and 1980s. The econometric studies for that period cited by Wooden show that fluctuations in school participation bore a fairly direct relationship to fluctuations in teenagers' full-time employment opportunities. Now it appears not to. Neither, as will be shown below, can the fall in school participation be explained by any appreciable increase in apprenticeships, traineeships or TAFE opportunities.

Declining school participation during the 1990s has itself been a factor contributing to Australia's high level of youth unemployment. The impact can be estimated using data provided by Ainley on school participation rates in conjunction with ABS labour force data. Such an analysis shows that had school participation rates been maintained at their 1992 level, roughly 18,000 teenagers would have been removed from the numbers competing for work. This would have been translated into a four percent reduction in teenage unemployment. Rather than the 21.4 percent rate observed among those neither in school nor in full-time tertiary study in August 1996 the rate would have been 17.4 percent.

Ainley observes that there has been a rapid growth in school-industry programs during the 1990s, in which students spend part of their time engaged in structured learning in workplaces. But he also points out that in many instances the extent of contact with the workplace is quite limited. The most rapid growth occurred in programs that offer students only brief periods of time out of the school and in the workplace. Only two percent of senior students are found in programs requiring 20 or more days of workplace learning.

There has been growth since 1995 in vocational education and training programs in schools, largely in response to grass roots demand (Keating, 1996). However, it is striking how little change there has otherwise been in the sorts of courses taken by Year 11 and 12 students during the 1990s. Ainley shows that in the 15 major subject areas, enrollments changed in most cases by less than one percent over the period between 1990 and 1993, and only one subject area showed more than a two percent shift in the percentage of students taking it.

The dominant impression from these figures is of a school system that has responded little to the increasing diversity of student interests and talents that has confronted it following the marked increases in retention rates observed during the 1980s.

Vocational education and training and young people

Australia entered the 1990s with the second lowest proportion of its post-compulsory age group taking part in apprenticeships or vocational education of all the OECD countries (OECD, 1995). Increasing young people's participation in vocational education and training has been one of the central priorities of government during the 1990s. Between 1989-90 and 1995-96 government expenditure on TAFE increased by 21 percent in real terms, from $1.9 billion to $2.6 billion. Commonwealth expenditure grew particularly rapidly, accounting for 28 percent of total recurrent expenditure in 1995 compared with only 17 percent in 1991.

However Ball and Robinson's evidence suggests that little has been achieved in return for this expenditure, when judged against the objective of increased participation by young people in vocational education and training. The 274,500 15-19 year olds participating in vocational education and training in 1990 compared to 260,900 who were participating in 1996. Between 1990 and 1996, the proportion of 15-19 year olds taking part in vocational education and training remained largely unchanged at around 20 percent. This is essentially the same level observed among the age group in the mid 1980s, when Australia also had the second lowest rate of participation in vocational education by the post-compulsory group in the OECD[2].

Between 1990 and 1996 some minor increase in participation rates by 18 and 19 year olds was recorded. However, this small lift in participation in vocational education and training was not sufficient to offset declining participation by younger teenagers or to affect the overall youth participation rate.

This is not to say that there was no growth in vocational education and training or TAFE enrollments over the period. Between 1994 and 1995 alone, total vocational education and training enrollments grew by 17 percent, and by a further 10 percent the following year. Between 1990 and 1996 the number of students in the sector grew by some 40 percent. Yet despite a clear priority for youth, particularly following the 1991 Finn report and the increased Commonwealth funds that flowed from its analysis, all of the growth in the sector has gone to adults. As a result those aged 15-19 years fell from 30 percent to 20 percent of all vocational education and training students between 1990 and 1996.

The impression emerges of Commonwealth governments that have been either unwilling or unable to implement their own education priorities, of State governments that have been similarly unable to implement these priorities, despite being happy to accept the funds provided for the purpose, or of TAFE systems that have had substantial difficulty in tailoring their offerings to the needs of youth. These problems have been particularly noticeable among early school leavers, for Ainley points out that only a third of those who leave school prior to Year 12, compared to two-thirds of Year 12 leavers, enter further education and training.

Many key indicators of the situation of young people in learning and work during the 1990s either show no progress, a reversal of improvements observed in the 1980s, or indicate a deterioration at an accelerating rate in their position in relation to other groups in society.

Australia's apprenticeship system is small compared to those of countries such as Germany and Switzerland, where some 70 percent of young people routinely undertake apprenticeship training[3]. The expansion of employment-based structured training through apprenticeships and traineeships, rather than full-time institution-based vocational education, has been a key objective of successive Commonwealth governments, with the full support of State governments, since the mid 1980s.

This priority has seen substantial effort and expenditure being put into successive initiatives such as the Australian Traineeship System, Career Start Traineeships, the Australian Vocational (Certificate) Training System, the Modern Australian Apprenticeship and Traineeship System and New Apprenticeships, in addition to on-going tinkering with Commonwealth financial support for traditional apprenticeships.

There has been a growth in the numbers of full-time students and of young people involuntarily found in insecure part-time work not linked to training or education. In this respect the 1990s again differs from previous decades in which growth in part-time teenage employment occurred largely among students.

Successive governments have seen increasing access to such employment based structured training opportunities as a key strategy in increasing young people's access to vocational education and training and in combating the difficulties that they face in the labour market.

Ball and Robinson show that apprenticeship commencements by 15-19 year olds plummeted during the 1990s, falling by 21,592 or 44 percent between 1989-90 and 1996. In the same period apprenticeship commencements by those aged 20 and over grew by 3,169 or 47 percent. Between 1989-90 and 1996 traineeship commencements by 15-19 year olds grew by 45 percent from 13,247 to 19,253. The total number of structured training commencements (apprenticeships plus traineeships) by 15-19 year olds fell by 15,586 or 25 percent over the period. A substantial part of the fall in apprenticeship commencements occurred during the recession of the early 1990s. However in contrast to previous decades, apprenticeship numbers did not recover after the end of the 1990s recession, and in recent years have continued to decline.

The modest absolute but substantial proportional growth in traineeship commencements by 15-19 year olds co-existed with a dramatic expansion in access to traineeships by adults. In 1989-90, no adults commenced a traineeship. Traineeships were designed by the 1984 Kirby Committee of Inquiry into Labour Market Programs as an entry level training scheme for youth, and were initially targeted at 16-17 year olds who had left school without completing Year 12. However in 1992 access to traineeships was extended to adults, and employers were able to access government wage subsidies when recruiting adults as trainees. In 1994 Working Nation created the National Training Wage which, for the first time, introduced a wage structure that allowed adults' wages to be discounted to reflect time spent in training.

The outcome of these decisions has been a dramatic increase in adult access to traineeships, and a program intended to be a new form of entry level training for youth has rapidly become an adult training program. In 1996 28,157 of those who commenced a traineeship were aged 20 or older, and teenagers constituted only 41 percent of all trainees. Data for financial year 1996-97 show that 45 percent of trainees are aged 21 years and over with 26 percent aged 25 years and over (Allen Consulting Group 1997:8).

The decline in apprenticeship opportunities is likely to be a substantial part of the explanation for the shift towards shorter course enrollments by young people during the 1990s. In 1990 72 percent of all vocational education and training (TAFE) enrollments by 15-19 year olds were commencing enrollments, indicating that the courses lasted for only one year or less. By 1996 this had risen to 80 percent, indicating a declining role by the sector in providing extended and broad-based preparation for working life, and a growth in provision of courses of a short and more specific nature.

In summary, the outcomes for the vocational education and training sector are: no growth in overall participation; declining apprenticeship numbers; traineeships being increasingly captured by adults; and a decline in the provision of extended and broad-based courses. This record cannot be said to be positive for youth, and stands in marked contrast both to the rhetoric of government policy during the 1990s and to public expenditure priorities.

Higher education

Public expenditure on higher education grew by 39 percent in real terms between 1989-90 and 1995-96. During the early 1990s the Commonwealth placed a policy priority on school leaver entry. Marginson demonstrates that there was a significant rise in university participation by those under the age of 20 during the 1990s. Between 1990 and 1996 the proportion of 17-19 year olds enrolled at a university rose from 15.2 percent to 18.0 percent. The growth in participation was particularly great among females, rising from 17.5 percent to 21.3 percent compared to a more modest rise from 13.0 percent to 14.9 percent among males.

Most of this growth occurred among older teenagers. Among 19 year olds in 1996, a record level of 30.4 percent of females and 21.8 percent of males were students in higher education. Ainley shows that between 1991 and 1996 the proportion of Year 12 leavers who proceeded directly to university rose from 41.7 percent to 44.2 percent. Growth in university participation by those under the age of 20 coincided with even greater growth in adult enrollments. Consequently, those under the age of 20 fell from 33.4 percent of all higher education students in 1990 to 27.1 percent in 1996.

Government policy objectives for participation by young people in higher education, in contrast to the labour market, to vocational education and training and to schools, appear to have been achieved. Whereas the pathway from school to work weakened for young people during the 1990s, and became even more fragile for those not completing Year 12, the pathway from school to higher education strengthened.

National targets

In 1991 the Finn Committee, appointed by the Australian Education Council to review young people's participation in post-compulsory education and training, recommended the adoption of a new national target for educational participation and completion. The target set was that by the year 2001, 95 percent of 19 year olds should have completed Year 12, or an initial post-school qualification, or be participating in formally recognised education and training. In May 1997, 74 percent of 19 year olds had attained one or other of these criteria: 15 percent had completed a post-school qualification, 44 percent had completed Year 12 and were studying at a tertiary institution, and 15 percent had completed Year 12 but were not involved in any further study.[4]

These results are substantially short of the Finn Committee's target. Efforts to meet the Finn target will require the recent declines in Year 12 retention rates to be replaced by large and rapid increases. They will also require a substantial increase in participation in post-school education and training by those who have not completed Year 12, whose participation in education and training is only half that of Year 12 completers.

The Finn targets provide some measure of the capacity of young people to improve their chances in the labour market. However, their focus is on educational attainment and participation and not on labour market outcomes. Nor are they in a form that permits international comparisons. To monitor the situation that young people face, the Forum will report on three additional indicators:

- The proportion of the population aged 15 to 19 years not in full-time education and not in full-time work (15.4 percent in may 1997);
- The ratio of the unemployment rate among 15 to 24 year olds to the rate among 25 to 54 year olds (2.2 percent in 1996 on the basis of OECD data[illegible]); and
- The proportion of the population aged 20 to 24 years who have completed Year 12 or a post-secondary qualification (76 percent in May 1997).

These indicators also have the advantage of permitting ready international comparisons with data produced by the OECD.

It is worth speculating upon why the performance of governments has been less than effective both in achieving the Finn targets and in achieving substantial improvement in the situation of young Australians in work and learning during the 1990s. A number of reasons can be put forward:

> The fall in school retention and participation during the 1990s is doubly striking as it has occurred in the face of a continued fall in full-time employment opportunities. As a consequence it is not possible to argue that young people have been attracted out of school by an expanding labour market.

- It has not been clear who is to be responsible for achieving the targets;
- It has not been clear what the role of key players such as schools, employers and TAFE is to be;
- It has not been clear what the preferred pathways for achieving the targets - schooling; employment-based vocational education and training; full-time TAFE attendance; higher education - are to be and what the balance of priorities is to be between these;
- The targets have not been actively promoted;
- No independent agency has been responsible for public feedback on the targets and thus for ensuring some degree of public accountability in moving to achieve them;
- Many policy and program interventions have been ad hoc, narrow program focussed approaches rather than comprehensive and integrated. As a result much effort has been disjointed, both within and between different levels of government.

Are more jobs the answer?

McClelland, Macdonald and MacDonald, in concluding their paper, argue that the overriding imperative is for economic development to produce more full-time jobs. The Australian Youth Policy and Action Coalition and the Australian Council of Social Service, in their response to the papers in this volume, also place a heavy emphasis upon the importance of job creation strategies in addressing the labour market disadvantage of young people.

However, it seems unlikely that such a strategy will deliver substantial benefits to youth. Wooden's paper shows that between 1991 and 1997 272,600 full-time jobs were created in Australia. Yet this coincided with a fall of 71,100 in the number of full-time jobs held by teenagers. The experience of the 1960s, the 1970s and the 1980s was identical. Jobs growth may be a necessary but not sufficient condition to overcome the particular disadvantage experienced by youth who are consistently placed at the end of the hiring queue.

The process of economic development, through increased efficiencies in the use of labour and increased use of more sophisticated labour saving technologies, reduces the demand for those with few skills and little experience. Future economic growth, where it is translated into employment growth, almost inevitably will create jobs that favour the qualified.

the experienced and the skilled. The more appropriate use of public funds would be to invest them in ensuring that young people have the education, training, qualifications, skills and confidence that will enable them to secure employment in the emerging economy. This is a preferable course of action to spending public funds on short term job creation programs that do not necessarily provide these outcomes. Programs such as Work for the Dole are open to genuine criticism on these grounds.

In Australia the unemployment rate among 15-24 year olds is 2.2 times as high as the rate among 25-54 year olds, indicating the substantial disadvantage that young people suffer when competing against adults for the available jobs. While young peoples' inexperience and lack of qualifications makes them a disadvantaged group within the labour market, the scale of this disadvantage need not be inevitable. The youth to adult unemployment ratio of 2.1 in Australia in 1996 compares with a ratio in Germany of 1.0, a ratio in Switzerland of 1.3 and a ratio in Austria of 1.4.

These figures indicate that young people in those countries can compete on far more equal terms with adults for the available employment. A common feature in each country is the existence of large vocational education and training systems in which some 70 to 80 percent of the youth cohort participate. These systems are characterised not by classroom-based courses but by employment-based apprenticeships where employers play the principal role in setting the parameters of the training and in ensuring its quality. The OECD, in a recent review of ways to foster lifelong learning, has argued that such employer-led vocational education and training systems are associated with an average four percent reduction in youth unemployment levels (OECD, 1996).

Economic growth and development are clearly essential for creating the preconditions for effective social policies. However, recent history tells us that they cannot necessarily be relied upon to deliver jobs for youth. Public job creation strategies, by themselves, cannot necessarily be relied upon to foster the skills and qualifications that enable young people to compete for work effectively. Policies that increase the education, experience, skill levels and qualifications of young people to enable them to compete more effectively with adults have been favoured by governments in the 1990s, although with far from successful outcomes in many instances.

It is also important to emphasise, as Wooden argues, policies which encourage employers to hire young people. Implicitly or explicitly such strategies will redistribute employment and unemployment by reducing the disadvantage that young people suffer in the labour market relative to adults. Wooden proposes an increased use of wage subsidies, as well as increased attention to wage structures.

There are also other options that can be considered. It is important, for example, for policies that reduce the incentive for employers to recruit new labour market entrants - whether youth, newly arrived migrants or women returning to the work force - to be reviewed. These policies include those relating to matters such as unfair dismissals and payroll tax, in addition to wage issues.

The previous government extended traineeship incentive payments to employers for recruiting adults and the present government has continued this policy. In the process, and despite the intention that traineeships be a major labour market entry port for youth, young people are becoming progressively locked out of this way of gaining skills, experience and qualifications. Adults who are long-term unemployed or re-entrants to the labour market are entitled to appropriate entry level training and it is important for appropriate wage subsidies to be in place to facilitate their employment. However, the provision of public wage subsidies to employers who recruit adults as trainees is directly undermining key national policy priorities for youth.

One way to address this issue would be to limit the public subsidies and incentives applying to traineeships and apprenticeships to two groups: youth; and adults who are disadvantaged in the labour market. This would not, as occurred prior to 1992, limit traineeships to youth, but it would more clearly signal where government priorities rest. The relative incentive payment for young people may need to increase to reflect the increase in their relative disadvantage and to ensure that their access to traineeships rises.

At a time when some 72,000 non students are looking for work, some 280,000 students have jobs. Landt and Scott argue that with a tightening of access to government assistance such as AUSTUDY, part-time employment as a source of income becomes important for many students. However, there are many other students for whom part-time employment is principally a source of recreational expenditure rather than education support (Robinson, 1996). At the beginning of the 1990s, Macken argued that "If ever the question of work rationing is taken seriously, the priority for employment by school leavers over those at secondary school would have to form part of that debate." (Macken, 1992: 60). It now seems appropriate for that debate to commence, and for it to form part of negotiations between employers and the trade unions in key industries such as retailing.

Increasing the attractiveness and holding power of Australian schools.

With decline in the capacity of work to act as a vehicle for the transition to adult working life, education - its quality, its relevance, and the level at which it is funded - becomes even more important as a pathway for young people. The clear divide that exists between the prospects of those who leave school early and those who complete Year 12 constitutes a solid case for reducing the rates of early school leaving. Reversing the alarming fall in school retention rates that has occurred during the 1990s must assume a high national priority. This is unlikely to occur without reforms to the senior years of schooling that are more innovative and imaginative than the minimalist changes that occurred during the 1990s. The evidence presented above shows that these minimal changes had no apparent impact upon young people's desire to remain at school rather than chance a labour market that has become increasingly unfriendly.

A vigorous national debate on the form, structure and function of senior schooling is required, centred around:

- The need for a far broader curriculum, offering a wide range of general and vocationally oriented programs capable of meeting the developing interests as well as the capacities of the full range of students, and in particular those students who have shown the greatest propensity to vote with their feet during the 1990s.
- A more adult learning environment, and more adult learning styles.
- Closer connections between the school and its community, including its employer community.
- The creation of senior high schools or colleges as the dominant model of upper secondary schooling, as is common in many other countries, able to offer a wider range of subject choices and a different and more adult atmosphere than can high schools that attempt to cater for the full Year 7-12 range.
- A new priority for guidance, counselling and career advice, particularly for the non university bound.

- Monitoring and follow up services for all school leavers.
- Increased funding for drop out prevention programs including remediation and early intervention programs.

The provision by employers of high quality structured work placements is, in the Australian context, a key aspect both of the reform of upper secondary education to make it more relevant and attractive to students, and of the reform and expansion of our initial vocational preparation system for youth. Programs that incorporate such placements are the only area of our vocational preparation arrangements for youth to have grown in the 1990s. Employers incur significant costs in providing resources in the form of mentors and lost productive time spent in training the student on an extended placement over and above the immediate benefits they can expect to achieve.

The external or public good benefits to the economy suggest that government should compensate employers in some way for providing work placements that meet best practice criteria. This compensation (and incentive to provide high quality placements) could take the form of a direct payment, as now happens for employers taking on apprentices or trainees or in the form of a tax credit against payroll tax at the state level or against company tax at the federal level.

Building bridges from insecure to secure employment

Part of the problem of the youth labour market is not so much that young people cannot get jobs, but that many of the jobs that they get are not taking them very far. With increasing numbers of young people, and in particular early school leavers, finding themselves locked into frequent spells of insecure temporary work, unemployment or labour market programs, a central challenge is to build protective umbrellas that can connect and link a set of fragmented employment and learning experiences. One way to address this problem is to better connect these fragmented experiences in order to give young people increased assurance, permanence and predictability. This will allow increased learning and development, and the better recognition of this learning and development to occur.

The aggregation of small amounts of learning and small amounts of employment, both by single individuals over time and by many individuals at the one time, can allow young people to gain access to better labour market information. It can give them the chance to use the skills of experienced employment managers and experienced learning managers that otherwise would be out of their reach as isolated individuals.

There are parallels within financial markets. Property trusts allow small amounts of capital to be aggregated and then invested in large commercial properties in ways that otherwise would be beyond the reach of individual investors. Superannuation funds allow individuals with limited capital to spread their investment risks, and to gain access to market information and fund management skills that otherwise would be beyond their reach. There are already some examples of such arrangements that can be drawn upon in the areas of employment, education and training. Group employment and training schemes are perhaps the best-known example. Nevertheless, these operate within quite limited markets, largely confining their activities to apprenticeships and, to a lesser extent, traineeships.

Another example is the Hunter Labour Co-op, a not for profit temporary employment agency established by the trade union movement in Newcastle in 1986 to provide unemployed people with access to casual work under award wages and conditions. Like group schemes, the Hunter Labour Co-op is the legal employer of the worker, who is then leased out to the host firm. Also like group schemes, the Co-op takes responsibility for all administrative processes and costs such as payroll tax and workers' compensation associated with employment, and guarantees workers their entitlements. Its detailed knowledge of the skills and qualifications of the workers who are on its data base improves the selection process for employers. And workers are provided with better information on the availability of temporary work than they would have access to if relying upon their own resources.

However, unlike group schemes, those on the books of the Hunter Labour Co-op are given no guarantee of continuity of employment during down time. Nevertheless, roughly a third of those on its books find that they are able to aggregate multiple temporary and part-time jobs into the equivalent of a full-time job. The agency's not-for-profit status enables it to compete effectively with other temporary agencies, and any surpluses that it generates are able to be invested in training programs to improve workers' skills.

Such a model, if applied to the youth labour market, could improve the position of many early school leavers. Young people would be in a better position to compete more effectively for part-time work. They would also be able to build better bridges from insecure work to permanent employment.

To help young people specifically, the concept of a labour pool that aggregates employment needs to be supplemented by features such as the development of individual action plans and mentoring by older and more experienced community members. Other features need to be the better sequencing of successive periods of temporary work so that experience can be built upon and translated into learning and the more consistent assessment of the generic employability skills gained in successive periods of temporary work.

Portfolio building would also be a key element to record employment experience as well as the specific and generic skills gained through both employment and other activities such as community service.

Such a concept for young people is currently being piloted on the New South Wales Central Coast. Early experience with it shows that it represents a flexible response at the local level to the needs of youth, and incorporates many of the best features of case management into a business operating on a commercial but not for profit basis.

It is an alternative to and would complement the option of supplementing part-time jobs with training, perhaps through part-time traineeships, that has been suggested by the Australian Chamber of Commerce and Industry and the Business Council of Australia in their response to the papers in this volume.

An entitlement for early school leavers

Those who leave school before completing Year 12 must be a key target and a clear priority for more effective policies to improve the situation of young Australians in work and learning. They are only half as likely as Year 12 leavers to undertake post-school education and training and they are more than three times as likely as Year 12 leavers to find themselves on the fringes of full-time work or study for extended periods: whether unemployed, in precarious part-time and casual work, or not in the labour force at all.

The difficulties faced by youth on the margins interact with, although are not identical to, those faced by early leavers. For this latter group, key priorities must be to improve their education and training qualifications, either through completing Year 12, through undertaking post-school studies that lead to a qualification, or through building better bridges from insecure to secure work.

A common entitlement is proposed to deal more effectively with the needs of disadvantaged early school leavers. The entitlement is aimed at those under the age of 20 who have left school without completing Year 12 and who are not in full-time work and not studying. Its maximum value should be set at the public cost, calculated by Burke as $16,090, of providing a young person with a Year 11 and 12 education, a cost that would be incurred in any case by governments if the young person coming under the scope of the entitlement had decided to remain at school.

McClelland, Macdonald and MacDonald estimate that the group not in full-time work and not in education contained 187,705 15-19 year olds in 1996, and from ABS labour force data they estimate that 70 percent of these had not completed Year 12. Assuming that the cost of the entitlement would, like expenditure upon Year 11 and 12 programs, be spread over a two-year period, the annual cost of an entitlement for early school leavers as defined here would at most be $1.05 billion per year, and in reality far less as not all who were encompassed by such an entitlement would exercise it at any one time.

If all young people in the target group were, and this is unlikely, to take up the entitlement, there would be a maximum annual increase in government educational expenditure of about 4.4 percent on 1996 expenditure levels. This is around two-thirds the average annual rate of increase (in nominal prices) of educational expenditure between 1989-90 and 1995-96, and as such does not appear unrealistic. On 1996 expenditures it would result in educational expenditure only rising from 4.9 percent to at most 5.1 percent of GDP. To put these estimates in perspective it is important to emphasise that expenditures of this order are no more than governments would be committed to in any case were young people to decide to continue to Years 11 and 12 in the normal manner.

The upper limit of the real increase in expenditure as a result of the introduction of the entitlement would be far less than these estimates, as it would subsume programs like Work for the Dole, the Jobs Pathway Program and other labour market program expenditure directed at young people.

Using Burke's estimates, the level of the entitlement would be sufficient to meet the costs of completing a Year 11 and 12 program, as well as of completing most standard TAFE courses that lead to a formal qualification. It would also, in most instances, be sufficient to meet the costs of the personal support and advice, periods of subsidised employment, or remedial education that many eligible for the entitlement might need before embarking upon a course of study leading to a qualification.

The fundamental objective of such an entitlement should be to ensure that early leavers either:

- Return to school or its equivalent in order to complete Year 12; or
- Obtain an education and training qualification that is at an equivalent level such as a TAFE certificate or an apprenticeship; or
- Obtain a full-time job (or equivalent) that is linked to education and training.

Thus the focus of the entitlement would be on active reinsertion of early school leavers into processes that allow them to increase their skills and qualifications, rather than upon more passive forms of assistance such as wage subsidies. However, in many instances programs developed for individual early leavers might include such aspects as part of a larger program.

Young people falling within the entitlement should be able to construct flexible personal action plans suited to their individual circumstances, should work in conjunction with a community-based mentor or adviser in constructing such action plans, and should be able to spend their entitlements in the settings of their choice. Support, advice and regular review sessions in association with a case manager should be an inherent part of the administration of the entitlement. An essential element would be a school leaver monitoring and tracking service, modelled upon the present Jobs Pathway Program, to ensure that no early leaver is able to fall through the cracks of the labour market without an early intervention and offer of assistance.

Such an entitlement would require substantial institutional changes, which are needed in any case if Australia's performance of the 1990s in preparing young people for post-school life is to be improved. It will require schools to actively put in place re-entry programs for early leavers, with more flexible ways of completing senior school qualifications. Also required will be a far broader curriculum to meet the interests of a wider range of students otherwise disenchanted by what schools have to offer and by the ways in which it is offered.

It will require TAFE similarly to seriously examine the relevance and attractiveness of its courses for young people, and to incorporate substantially increased elements of workplace learning into its programs. And it will require increased emphasis upon community based advisory and information services for young people.

The entitlement would also need to be integrated with the new income support arrangements for young people to be introduced by 1 July 1998 in the form of a Common Youth Allowance.

The entitlement for early school leavers, as proposed here, would provide the positive incentive to undertake appropriate further education and training. It would thus complement the perhaps more negative incentive of the threat of withdrawal of income support under the Youth Allowance.

The entitlement should not be regarded as a stand alone initiative. It is a means of funding a range of services for young people who, are, at risk to help them make a successful transition from education to work. Simply providing additional education or training will be insufficient to achieve this outcome. Other services needed include: career guidance and information about appropriate training; help to negotiate appropriate training arrangements; and ongoing mentoring assistance. The latter will need to operate on a one-to-one basis for a set period.

The operational details of the entitlement will need to be worked through, preferably through a pilot. It may be appropriate, in many cases, to offer the entitlement through an intermediary. The latter would be responsible for organising the support services and training needed to maximise the achievement of a successful outcome. The intermediary could also be responsible for achieving a target for successful outcomes.

The funding available through the entitlement should not be restricted to institutional training options. Employers providing entry level employment with recognised training to early school leavers should also be eligible to receive funding through the entitlement, as its intent is to enable early leavers to acquire either a Year 12 qualification or an equivalent vocational education and training qualification.

Accountability for outcomes should also be a key aspect of the operating arrangements for the entitlement. Local area targets need to be set based on national indicators of successful transition from education to work. Clear responsibility for achieving the local area targets should also be allocated.

The effective implementation of an entitlement would result in Australia emerging as one of the leading countries of the OECD in its approach to youth policies, rather than, as in the case of vocational education and training at the present, being substantially behind most other countries. In doing so it could profitably learn a great deal from the Nordic countries which, in various ways, have been experimenting with youth guarantees for 25 years. Initially in the form of guarantees of a temporary job or of a study place, these have, in the 1990s, become much broader. Experience with entitlements in the Nordic countries shows that they need to include features such as:

- A sufficient capacity within education institutions to guarantee access;
- Sufficient training places within companies or schools to guarantee that upper secondary education, to the extent that it requires company-based training, can be completed;
- An education structure that has many options, making it possible for nearly all young people to find or compose a program that suits their preferences and abilities;
- Ample bridges between programs so that shifts in direction are possible without major time loss;
- Close cooperation between employers and trade unions;
- Close ties between schools and post-secondary education institutions;
- A comprehensive guidance and counselling system that is able to follow every individual from compulsory education to well after graduation from upper secondary school.
- A grant system that ensures that nobody is excluded from upper secondary education for economic reasons; and
- A pedagogy that meets every young person on her or his terms.

An entitlement of this nature would be an important signal to Australia's youth that the nation understands and is serious about their needs, as well as being a sensible economic investment in Australia's future.

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Endnotes

1 This calculation assumes that the consequent change in supply would have had no effect upon demand, and that the teenage and adult labour markets are largely segmented from one another. The latter assumption can be open to some questioning.

2 The Australian figure of 20 per cent compared unfavourably to an OECD average of some 50 per cent of the relevant age group in vocational education and training, and figures for the German speaking countries of close to 80 per cent.

3 1997 data from the Transition from Education to Work Survey shows that 10.5 per cent of 15 to 19 year olds are apprentices or have attained a skilled vocational qualification. If the number who have attained a basic vocational qualification are included, the proportion rises to 14.3 per cent (ABS 1997: Tables 18,13 & 14).

4 ABS Transition from Education to Work Australia Cat. No. 6227.0, May 1997.

5 Organisation for Economic Cooperation and Development Labour Force Statistics 1976-1996. Paris: OECD, 1997.

6 ibid.

Rapporteur's observations

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Dr Edwards was First Assistant Secretary, Economic and Policy Analysis Division with the Department of Employment, Education and Training in 1993 before being seconded to the Department of the Prime Minister and Cabinet to head a Task Force servicing the Committee on Unemployment, and was Deputy Secretary in that Department from 1993 to 1997.

Dr Edwards was a member of the Wran Committee on Higher Education Funding in 1988-1989. She is a member of the Australian Statistics Advisory Council and a Fellow of the Academy of the Social Sciences in Australia, and was President of the Economic Society of Australia and New Zealand (ACT Branch) from 1994-1996.

Dr Edwards was appointed Deputy Vice Chancellor of the University of Canberra in August 1997 when she also became Professor. She was awarded the Order of Australia (AM) in 1992.

What I thought that I would do, under the heading of observations, is to talk about issues generally, about some concerns that we have expressed today, and about some possible policy directions.

As an introductory remark I want to say that the topic that we are addressing today is one of incredible importance. There are one or two others that I could think of – Wik might be one – that might grab top position, but Australians do regard youth unemployment as an incredibly big issue.

I want to elaborate on that. Youth unemployment is seen as a very big issue, but what is really the youth problem of today? If people think that it is only youth unemployment, then what we are talking about at this forum today will not grab the attention of the public or necessarily of the politicians. Getting the data together as we have done today in such a comprehensive way is a very necessary step. But now I think that the stage is set for us to go back to articulate what the problem is so that we can sell that in the forums where it is necessary. It is my experience that unless you can identify and articulate a problem, it is very difficult to move on to solutions. I commend the Dusseldorp Skills Forum for attempting to get better ideas for better practice and I have been delighted to be a part of that process.

What we heard today from all of our speakers, in the words of Mark Wooden, was a story of huge change. We have had massive change in a very short period of time from the situation that some of us studied not so very long ago. At one time young people left school either to go into full-time employment or into full-time training or education. But now the pathways are incredibly diverse, and most young people today have to go through some form of transition before, if they are lucky, they end up in full-time employment.

So we are dealing with a very different situation today, which brings through with it many issues that we would not have considered to be big issues some years ago. I want to try and identify some of those issues, not necessarily comprehensively, and perhaps not as specifically as you might have expected. We did not in fact have a lot of debate about issues because we were mainly talking about facts.

The first issue I want to put on the agenda is the one that Peter Karmel raised in the discussion on Simon Marginson's paper. That is the question of how much should be spent on education and training by government. If we look at public expenditure on education and training 20 years ago and see that it was higher then than it is now, is that appropriate today? How much should be spent by individuals? How much should industry contribute? In other words, as Gerald Burke said, the issue is one of who should be paying for education and training and why. Who should be subsidising those who are not fortunate enough to get a job or have a decent income? Parents, or the individual, or government?

The question is also, as Gerald Burke identified, one of whether we have got the balance right. Have we got the balance right between primary and secondary education? Have we go the balance of expenditure right between school, vocational and higher education ? This is an important decision for government and the West Report on higher education financing and policy may well have something to say about that. And are we distributing resources equitably? These are issues that I think now need to be in the forefront of our attention.

The second main set of issues relates to inter-sectoral or cross-sectoral relationships. Should we just talk about, for example, post-secondary education and forget about the distinction between TAFE and higher education, or should we keep the distinction but move to create more collaborative arrangements and more articulation between the two? Similar questions can be raised about the distinction between schools and vocational education. So what is going to govern the extent to which we do have cross-sectoral relationships in the sectors that we were talking about today?

Another issue that is very important is the relationship between the public and the private sectors. For example in 1993 the Committee on Employment Opportunities decided that it was the outcomes achieved by the long term unemployed that were important, not necessarily whether the CES or a private provider delivered the services, and that it was on the basis of these outcomes that the government was prepared to pay.

... within that we have 40 000 who are [illegible]

What might such a principle mean for higher education? Can we still justify having the majority of public funds going to public higher education institutions and keep them separate from private providers of higher education? What might happen if BHP for example were to set up a knowledge centre? Might BHP expect a public subsidy?

We need to look more closely at what we are saying about public and private provision in the various sectors.

What about in schools where we have seen some recent claims about the relative achievements of public and private schools (an issue by the way that was not raised today, although I expected that it would have been)? My own view is that we do need some publicity on the achievements of public schools, as well as on some of their relative weakness, including the relative lack of funding. So public-private issues are on the agenda, and particularly when we focus on the outcomes of students going through the system.

Another issue which came up today is the concept of life long learning. No longer do we finish our education and then go into a job. What changes do we need to our systems in order to facilitate that? Should we be looking more closely at the idea of an entitlement to learning, a lifelong entitlement to learning along the lines of the proposal by Peter Baldwin in his recent paper *The Lighthouse: Towards a Labor Vision for the Learning Society*.

Other issues that were raised include what is the purpose of the senior years in school and why are we getting such different retention rates across schools, across States. Is it to do with the curriculum? We need to explore that further. What has been the impact of the recent changes in vocational education and training? This is an issue that I will come back to because I think evaluation has now become very important.

There are many gender issues that were raised today and here we cannot just look at higher education or schools on their own, but we need to look at what is happening in the labour market as well. It might be in the labour market that we can find an explanation for why we have relatively high participation rates for young women in schools and in higher education. What are the interconnections there, we need to ask.

That is perhaps enough on some of the issues that arose. I would like now to turn to some concerns. One of them, which is relevant if we wish to get our concept of the problem on to the public agenda, is that the government is not relating education enough to its ultimate goal of economic development. In other words, we are not treating education enough as an investment, as a variable that impacts on economic growth, as our Asian neighbours are doing. Why are we not doing that? This is the sort of forum that should, I think, be exploring the connections between education and economic growth. What happens when we do not give sufficient attention to equity and access in the education system, and what are the implications for an efficient and a competitive economy? That is my first major concern.

My second concern is the economic insecurity that our young people now face if they go through a chequered path toward a full-time job: if they stay at home until a later age, if they are in the education system until a later age and marry later. They are then facing a HECS debt, if not fees, at the same time as having to scrape up money to buy a home - ownership purchase rates have come down amongst young people. So young people today have a much more insecure path into their future than we might have faced. That is of concern, and we need to ask what we can do about it, because this insecurity leads to low morale and low productivity.

We also, I think, have a concern about the parents of our young people, who are on low to middle incomes; those who may just be missing out on assistance and government income support - those families who may well be at the margins.

I suppose the overall concern that I came away with today arose out of the considerations in the paper from the Brotherhood of St Laurence. The evidence in that paper was very disturbing; the paper said things that go beyond the normal interpretation. It is young people, not just those that haven't got a job at a point in time, that go from casual to casual, part-time job about whom we should have the most concern.

A group of 20 perhaps 25 percent of young people are at risk, if you include those who might only be in part-time education or part-time employment as well as those who are unemployed or out of the labor market. I think the figure is 15 percent if you divide at risk more narrowly as Alison McClelland did. And within that we have 40,000 who are in a black hole and we don't really know what they are doing at all. That to me is the single most important concern that came out of today.

Related to that there is the concern that we can distinguish between the school achievers and the school leavers. This difference is of concern because of the inequalities that will arise later in life between those groups, one group having opportunities, the other being scarred. The concern is about inter-generational transfer, the possibility of Australia, God forbid, having an underclass into the future because of these inequalities.

I should also mention that a concern, and it certainly has been in my own work, must be the impact that fees may well have if they are introduced more extensively into schools, into the vocational education and training sector and particularly into higher education, which is certainly a possibility in the future.

That leads me on to some policy areas. We did identify today more work to be undertaken - this is the prelude to policy work - more data to be collected. We need to know more about who the marginal labor force is before we formulate policies. We need to know the socio-economic characteristics also of those who are in our tertiary institutions and we need to break those figures down by age and by gender, as Simon Marginson indicated. We need to know why young people do not complete secondary school and what happens to them.

Above, we need to know more about the financial arrangements that young people make with their parents. We did not talk a lot about that directly today, we did assume that young people share their parents' income. Some parents just do not feel they can do that with their young children. Some are unable to, some are not willing to, but we do not know about the extent of diversity of financial arrangements with parents that young people have, whether they are unemployed, in part-time work or students, whether living with parents or living away. And if I had to put a priority on a piece of research that would be it.

I also wanted to mention that, apart from needing a little more data (not to get overcome by that because it is time to move on to getting some new policies) we need to put a little emphasis on evaluation, because a lot of people today mentioned how critical it was to monitor changes.

Chris Robinson mentioned enormous changes in vocational education and training recently. The whole market has been opened up to private providers and the new apprenticeship scheme will need very, very close monitoring. We need to look at the employment outcomes of our VET students compared to students coming through other streams including higher education. We need to look at traineeships by gender and by age, as they tend to be going to older people.

We need to monitor socio-economic characteristics, and I am particularly concerned about those in the education system of the future as we get changes coming through, including fees. And we need to look at the youth allowance, monitor that very closely, in terms of its impact on school retention as one example, but more generally in terms of the behavioural changes that will come from those changes.

Finally I would like to deal with policies in four categories. First, I happen to believe that we do need economic growth in order to progress as a country and as a society, as a necessary but not sufficient condition. But education and economic growth interrelate, and without more investment in education - without seeing education as an investment -Australia will not achieve the rates of economic growth that it should or reap the benefits from it.

Secondly, there are a lot of issues around funding: the costs of education, born privately as well as by the tax payer; and the burden of those costs particularly, as we should not forget those parents of young students who are on low to middle incomes. There are issues, as Bruce Chapman identified, around HECS. Should we confine it to a certain portion of undergraduate courses and allow fees to come into the higher education sector more prevalently and should we continue with fees in TAFE? Or is it now time, as I believe it is, to get more rationalisation and a principle-based funding system, one in which students are expected to pay but based on their capacity to pay, on future individual income?

A third set of policies, I think, revolve around programs. I hate to be someone who goes backwards, but there are some very good programs suggested in the work of the Committee of Employment Opportunities that came through in Working Nation: labor market programs but with a focus, as has continued, on case management. There are also other policies like training bonds as well as an educational entitlement and policies that might encourage industry to contribute more. These are the sorts of policies we should now be considering again.

There is concept of a compact which could be further explored. Working Nation suggested a compact between the long term unemployed and government or society in which there was mutual obligation on both parties. We could well have in the future, I believe, compacts with students who will expect from us, particularly if they have to pay fees, outcomes expressed in terms of what they can achieve from their education. We need to consider the implication of a greater focus on student needs, with students having greater choices and expecting to get something out of the system, whether it be in schools or in TAFE or in higher education. We may not want to move in the direction, but I am suggesting that it is a direction we may need to move in.

Finally while there are other program ideas, I have come away thinking that what is important is to individualise according to the needs of the student at whatever level. If you take the Brotherhood of St Laurence paper and work out the proportion of young people who are at risk, then obviously it would pay to get in early rather than wait. This is particularly so if some of them are almost in the black hole in school and are just waiting to get out to be shown more explicitly to be in that black hole. Why are we not picking them up earlier in some sort of case managed approach as we do with the long term unemployed?

I know that in the higher education institution in which I am working we are undertaking a program with the Department of Customs. We are assessing the individual training needs of all customs officers. Why are we not doing that with our at risk school kids and also with those at risk elsewhere in the in the education and training system? That to me would be the single most important policy direction for us to move forward.

I sense that I have spent enough time, so I'm going to end by being a little adventurous, given that I sit on an advisory board for the Australian Bureau of Statistics. I am going to suggest that the ABS put youth data in a publication, if only to bring together in one place relevant facts that we might be able to use as we together move forward in trying to articulate more clearly what the problem is, what the key issues are and in what directions government should be pressed to move.

The labour market for young Australians

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The most significant change in the teenage labour market during the last two decades has been the decline in the number of full-time job opportunities. This in turn has helped fuel the marked increases in school retention and levels of participation in higher education observed in the 1980s and early 1990s.

- Full-time jobs are gradually being replaced by part-time, casual jobs, the majority of which are highly concentrated in low-skill occupations.
- The new part-time, casual jobs are not necessarily 'bad' jobs. Indeed, for teenagers still involved in full-time education, these jobs would appear to be largely consistent with individual preferences. For non-students, and especially early school leavers, however, the exposure to low-skilled, casual jobs rather than more training intensive jobs, may be problematic.
- The weakness of the teenage labour market is reflected in the persistence of high rates of unemployment. While the level of joblessness among teenagers has not deteriorated relative to the level among adults, there are good reasons to suspect that spells of unemployment when young have a scarring effect, and increase the likelihood of individuals being exposed to further spells of unemployment when older.
- There are good reasons to be concerned that the changing structure of the teenage labour market has actually acted to raise the cost of teenage labour.

  While award wage relativities may not have changed, employers today find themselves paying more for inexperienced labour than 20 years ago. This results because the average school leaving age has effectively risen but most awards require employers to pay workers who are two years older considerably more simply because of their age and not because they are necessarily more productive.
- Policy makers need to give attention to: (i) stimulating employer demand for youth labour, and especially early school leavers; and (ii) ensuring the structure of youth wages is not adversely affecting the employment prospects of teenagers.

The labour market for young Australians

The teenage labour market in Australia has undergone massive change over the last quarter of a century or so. As reported in Norris and Wooden (1996), three significant inter-related developments have taken place.

First, full-time employment opportunities for young people have collapsed. Second, and in part a direct result of the decline in full-time employment opportunities, there has been a marked increase in participation by young people in education. Third, part-time employment opportunities have risen rapidly. In this paper, these and other related developments are examined in more detail. Specifically, this paper provides a statistical overview of the labour market for teenagers drawing primarily on labour force survey data. It begins by dividing the labour market for teenagers into a number of segments according to age, sex, study status and hours of work (for those employed), and quantifying those segments. Some comparisons with older labour market groups are also provided. Other issues that are examined in the paper include:

(i) the changing relationship between education and employment for teenagers;

(ii) the changing composition of teenage employment;

(iii) the rise in teenage unemployment; and

(iv) the impact of youth wage structures on the demand for teenage labour.

The teenage labour market: an overview

The composition of the teenage labour market

As at August 1997, the teenage labour market (defined as the sum of persons in employment and in unemployment) consisted of 686 thousand persons, representing 7.6 percent of the total labour force within the working age population. Compared with a total teenage population of 1288.8 thousand persons, this gives a labour force participation rate of 53.2 percent, well below that for the total population aged 15 years or over (62.2 percent). Not surprisingly, the main source of this differential is attendance at educational institutions among young people. Indeed, the labour force participation rate among the teenage population once school students and full-time tertiary students are excluded is approaching 90 percent (87.4 percent).

Interestingly, labour force participation rates among teenagers are slightly higher among females than among males. This stands in marked contrast to older age groups where rates of participation are much higher among males. This reflects the impact of child rearing on the labour force behaviour of adult women.

A more detailed breakdown of the teenage population by labour force activity is provided in Table 1. This table divides the teenage labour market into a number of distinct segments on the basis of not just sex, but also hours of work and study status - though all three of these factors are related in the way they influence labour market outcomes.

Table 1 reveals that only 29.9 percent of the teenage labour force were in full-time employment in August 1997.[1] Part-time employment is far more common, with over half (50.8 percent) of the teenage labour force in part-time jobs. This thus leaves just under 20 percent in search of work - the unemployed.

Table 1: The composition of the teenage labour market, August 1997

	[illegible]			Unemployed		Not in [illegible]		Total
	[illegible]	PT: [illegible]	PT: Non-student	Student	Non-student	[illegible]	[illegible]	
Males								
Number (000s)	132.6	117.3	28.7	28.5	42.3	289.6	21.6	660.5
% employment	47.6	42.1	10.3					
% labour force	38.0	33.6	8.2	8.2	12.1			
% population	20.1	17.8	4.3	4.3	6.4	43.8	3.3	100.0
Females								
Number (000s)	72.3	163.0	39.5	32.5	29.4	264.0	27.7	628.3
% employment	26.3	59.3	14.4					
% labour force	21.4	48.4	11.7	9.7	8.7			
% population	11.5	25.9	6.3	5.2	4.7	42.0	4.4	100.0
Persons								
Numbers (000s)	204.9	280.3	68.2	61.0	71.6	553.4	49.3	1288.8
% employment	37.0	50.7	12.3					
% labour force	29.9	40.9	9.9	8.9	10.4			
% population	15.9	21.8	5.3	4.7	5.6	42.9	3.8	100.0

Note: For the purposes of this table, a student is defined as a person attending school or attending a tertiary educational institution full-time.

Source: ABS, *The Labour Force, Australia, August 1997*, ABS cat. no. 6203.0.

Unemployment rates are higher for teenage males (20.2 percent) than for teenage females (18.4 percent). While this may reflect relatively poor employment opportunities for traditional 'male' jobs as compared with 'female' jobs (especially in the traditional apprentice areas), additional explanations may lie in the lower levels of participation of teenage males in full-time education and the lower levels of part-time employment among young males.

Among those in part-time employment it is important to separately identify full-time students, given the reasons underlying the employment decision are likely to be influenced by education choices (Ashenden 1990, Wooden, Robertson and Dawkins 1994). Moreover, this distinction is numerically very important, with 80 percent of part-time teenagers workers involved in full-time education. Note also that a sizeable proportion of those classified as unemployed (46 percent) were actually full-time students for whom study was presumably only seen as a preferred alternative to collecting unemployment benefits. It is strongly suspected that this situation also applies to some of the 553 500 students not seeking work, but who nevertheless might cease study should employment opportunities improve.

Teenagers and older age groups compared

A further perspective on the nature of the teenage labour market is provided by comparisons with older labour market segments. Table 2 provides information on a number of key labour market characteristics after disaggregating the labour market into four groups - teenagers, young adults (defined here as persons between 20 and 24 years of age), prime-age adults (between 25 and 54 years of age) and mature-age adults (55 years and over). The main features of this table are as follows:

- The gender composition of the labour force is much more equal among teenagers than among older cohorts. This is not surprising and as already noted, reflects the impact of child

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rearing and other family demands on the labour force participation of adult females.

- As a consequence of the concentration of education during youth, labour force participation rates are much lower among teenagers than among both young adults and prime-age adults.
- The incidence of unemployment is much higher among teenagers than among older cohorts. Such findings have been well documented (eg., Brooks and Volker 1985, Miller 1989) and reflect the benefits of experience and the gradual acquisition of knowledge about the labour market over time.
- While the likelihood of unemployment is highest among teenagers, the average duration of unemployment is much shorter. In part, this is a function of the shorter time teenagers will have spent in the labour force relative to older workers. However, it may also reflect greater probabilities of leaving unemployment among young people.[2]
- The incidence of part-time employment is very high among teenagers, reflecting, at least in part, preferences among full-time students for part-time work (almost 80 percent of part-time teenage workers were full-time students). Conversely, the high part-time employment share among teenagers reflects their low probability of securing full-time employment.
- Youth are more mobile between jobs than are older workers, though mobility rates are higher among young adults than among teenagers. This latter result may reflect life-cycle differences. Compared with teenagers, young adults are much more likely to be at the point in their life where career choices are important. For many teenagers, on the other hand, careers decisions will be on hold as they complete their education.
- The incidence of casual employment is much higher among youth than other age groups, and reflects the close correlation between part-time and casual employment.

Table 2: Selected characteristics of labour markets segmented by age group, 1996[a]

	Teenagers	Young adults	Prime-age adults	Mature age adults
Females as a % of the LF	48.4	46.4	42.9	32.9
Labour force participation (%)	57.1	82.3	81.0	43.1
Unemployment rate (%)	19.5	11.9	6.8	6.8
Average duration of unemployment (weeks)	27.0	37.1	55.5	96.4
Part time employment as a % of total employment	62.3	24.5	20.8	
Job mobility rate (%)[b]	27.6	31.6	19.8	11.2[c]
Casual employees as a % of employees[d]	62.4	28.4	21.0	30.8

Notes: **a** With the exception of the job mobility rate, all figures reported in this table apply to August 1996

b Persons who changed their employer during the year ended February 1996 as a percentage of all persons who had a job during that year.

c Relates only to persons between the age of 55 and 69 years.

d Casual employment relates only to the main job held, and not all jobs. Further, the population base used here is all employees (and hence excludes employers and self-employed persons.

Sources: ABS, *The Labour Force, Australia*, August 1996, ABS cat no. 6203.0.

ABS, *Labour Mobility, Australia, Year ended February 1996*, ABS cat. no. 6209.0

Unpublished data from the ABS Labour Force Supplementary Survey, August 1996

Education or work?

Changing trends in teenage participation in work and education

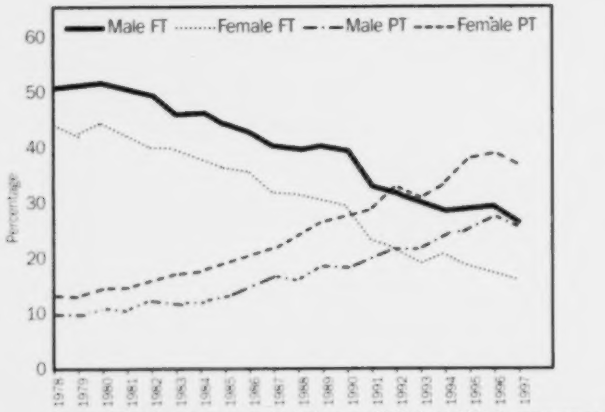
As noted in the Introduction, one of the most significant labour market developments in the last two decades has been the collapse in the full-time jobs market for young people. This has been reflected in a marked fall in full-time labour force participation rates for teenagers.[3] As shown in Figure 1, full-time labour force participation rates for teenage males stood at over 50 percent in 1978. That is, more than half the total population of teenage males in 1978 either held a full-time job or were looking for full-time work. By August 1997 this proportion had fallen to just 26.8 percent. Among girls the slide has been even more dramatic: from 44 percent to 16 percent.[4]

Very differently, part-time labour force participation rates have risen for teenagers, though not by enough to have prevented total participation rates from falling. For males the part-time labour force participation rate has risen from just 10 percent in 1978 to 26 percent by 1997, while for females the rate has risen from 13 percent to 37 percent.[5]

Accompanying this shift in the level and composition of teenage labour force participation has been a marked expansion in the number of young people staying on at school and continuing on to post-school studies. Retention of young people to Year 12 of secondary school, for example, increased from less than 35 percent in 1981 to 77 percent by 1992. While the rate has subsequently fallen (it was 71.3 percent in 1996), it is still more than double the rates experienced prior to the 1980s.[6] Similarly, enrolments in higher education have also grown rapidly, rising from just 7.7 percent of the 15 to 24 year-old population in 1981 to 14.2 percent by May 1995.[7]

While there are a number of factors responsible for this growth in participation in education, not least being the expansion of government funding for education, and higher education in particular, during the 1980s (see McCormack 1992, Gregory 1995), the fact that the decline in full-time labour participation rates for teenagers pre-dates the expansion in the education sector, suggests that changing labour market conditions have directly contributed to the growth in educational participation. In other words, part of the increase in school retention and university enrolments must represent a response to the lack of full-time employment opportunities for young people. Support for this hypothesis has been found in a number of econometric studies (eg., Larum and Beggs 1989, Karmel 1995, Lewis and Koshy 1997). Further evidence

Figure 1: Full-time and part-time labour force participation rates among teenagers by sex, 1978 - 1997



Source: ABS, Labour Force, Australia, ABS cat nos 6203.0 and 6204.0, various issues is provided by the high proportion of teenagers enumerated as being outside the labour force (most of whom - 94 percent - were involved in educational study) yet who claim they would like to work. In September 1996, almost 44 percent of teenagers outside the labour force were in this situation. This compares with just 25 percent of teenagers outside the labour force in 1977. The rise in education participation thus disguises a rise in 'hidden unemployment' among teenagers.

Combining education with work

As documented in Figure 1, the decline in full-time labour force participation has been compensated, in part, by a growth in part-time labour force participation. Part-time employment among young people, however, has historically been combined with educational study and thus the growth in part-time working among young people implies an important change in the nature of the school-to-work transition process.

The data reported in Table 3 not only confirm the dominance of student workers among the ranks of the teenage part-time employed, but point to an increase in that dominance. In the mid-1970s, 73 percent of teenagers working part-time were students. A decade on this proportion had risen to over 82 percent. Since that time, and despite the decline in full-time job opportunities, the share has fallen only slightly, and in 1996 was still in excess of 81 percent.

The transition process from school to work has thus changed greatly over the last two decades. In the 1970s most young people would have entered the work force on a full-time basis directly from school, often without completing secondary school and without any other intervening work experience. In effect, young people made a decision between education or work. Today the transition to full-time working is much more gradual and drawn out. Most young people will not find full-time employment until they are well into their 20s, will have a post-school qualification, and will have been exposed to the work force through part-time employment while studying. This is reflected in labour force data which reveals that the minimum age at which more than 50 percent of young people are in full-time employment and not in full-time education has risen from 18 years in 1981 to 22 years today.

Education and work are no longer alternatives, but complement each other as young people make the necessary adjustments in preparation for a future in the work force.

Table 3: Students as a share of teenage part-time employment (%), 1976–1996

Year	FT students	PT students	All students
1976	n/a	n/a	73.0
1981	73.2	5.1	78.3
1986	78.3	4.1	82.4
1991	77.9	4.2	82.1
1996	78.9	2.4	81.2

Sources: Data for 1976 are from the Population Census as cited in BLMR (1985, Table 2.5, p14). Data for the other years are from ABS, *Transition from Education to Work, Australia*, ABS cat. no. 6227.0

The changing composition of teenage employment

The end of full-time work and the rise of part-time work

As discussed above, the last two decades have seen an enormous growth in part-time labour force participation within the teenage labour market. This, in turn, has been stimulated by a marked growth in the availability of part-time jobs, such that part-time jobs now account for well over 60 percent of total teenage employment. This concentration of young people in part-time work, however, has not always been obvious. As indicated in Table 4, in 1971 only eight percent of employed teenagers worked on a part-time basis. Since then a marked shift in the composition of employment away from full-time jobs towards part-time jobs has occurred, and nowhere is this

Table 4: Part-time share of employment by age and sex, 1971 to 1997 (%)

	1971	1976	1981	1986	1991	1996	1997
Males							
Teenagers	7.9	12.7	18.1	26.9	42.0	51.6	52.4
Young adults	2.3	5.9	5.5	7.8	12.2	18.9	19.4
Prime-age adults	1.3	2.1	2.9	3.3	4.5	6.0	6.8
Mature-age adults	7.9	9.2	10.2	12.1	17.0	18.5	19.2
Total	3.0	4.4	5.5	6.7	9.2	11.7	12.2
Females							
Teenagers	8.6	19.3	27.5	38.3	60.2	73.5	73.6
Young adults	14.1	10.6	15.5	18.2	17.6	30.9	35.3
Prime-age adults	34.1	40.4	41.4	41.6	41.2	40.3	41.1
Mature-age adults	35.0	42.5	45.0	50.8	48.7	52.8	50.2
Total	25.7	33.5	35.7	37.9	40.9	42.6	43.5

Note: Data relate to August of each year.

Source: ABS, *The Labour Force, Australia*, ABS cat. nos 6203.0 and 6204.0, various issues

Table 5: Full-time employment ('000s) by age, 1971 to 1997

	1971	1976	1981	1986	1991	1996	1997
Teenagers	565.5	511.5	510.6	424.3	276.0	221.0	204.9
Young adults	788.8	762.2	850.7	838.8	794.0	765.6	687.6
Prime-age adults	2960.1	3191.7	3437.8	3841.0	4337.2	4708.7	4725.3
Mature-age adults	625.2	571.6	538.1	504.6	498.7	540.9	560.7
Total	4936.6	5036.9	5337.1	5608.8	5905.8	6236.2	6178.4

Note: Data relate to August of each year.

Source: ABS, *The Labour Force, Australia*, ABS cat. nos 6203.0 and 6204.0, various issues

more marked than in the teenage labour market.

The part-time share in total employment among teenage males has increased more than six-fold since 1971 and, in 1997, stood at 52 percent. Among teenage females the rise has been even more dramatic, with close to three-quarters of all jobs held by teenage females being part-time jobs. In contrast, among prime-age adults growth has been much more subdued. Among prime-age adult women, for example, the share of part-time employment in total employment has remained relatively steady since the mid-1970s (at just over 40 percent). Part-time jobs growth among prime-age adult males, on the other hand, has been relatively rapid, but starting from a very low base. As a result, part-time working still represents less than seven percent of all jobs held by prime-age adult males.

By definition, an increase in the part-time share of employment implies a fall in the full-time share. Thus the fall in the full-time employment share within the teenage labour market has been just as dramatic as the rise in the part-time employment share. The changing employment shares, however, only reveal part of the shift in teenage work patterns that has been taking place. Full-time employment within the teenage has been declining not only in a relative sense, but also in absolute terms. As documented in Table 5, the number of teenagers in full-time work has, more than halved since 1971. In contrast, among prime-age adults, full-time employment numbers have continued to rise (by 60 percent between 1971 and 1997), but not by enough to prevent the share of full-time

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employment in total employment from falling.

The casualisation of the teenage work force

As Dawkins and Norris (1990) have observed, the growth in part-time employment is closely bound up with the growth in casual employment. Table 6 compares the share of casual employment in total employment in August 1996 with that in August 1984 (the earliest date for which comparable data are available), where casual employment is defined by the absence of entitlements to both paid annual leave and paid sick leave. As can be seen, for all age and sex groups, the share of casual employment in total employment has increased broadly in line with the part-time shares presented in Table 4. In total, 26 percent of employees are estimated to have been working on a casual basis in 1996, compared with about 16 percent 12 years earlier. Again, the share is highest among teenagers, and especially teenage females, where the share of casual employment in total wage and salary earner employment is now approaching 70 percent. As with part-time employment, the casual employment share has remained largely unchanged among prime-age adult females.

Table 6: Casual share of employment by age and sex, August 1984 and August 1996 (%)

	1984	1996
Males		
Teenagers	24.4	55.3
Young adults	11.9	28.8
Prime-age adults	6.6	16.1
Mature-age adults	8.5	26.8
Total	9.1	21.2
Females		
Teenagers	35.9	69.7
Young adults	16.7	30.5
Prime-age adults	27.1	27.2
Mature-age adults	25.9	37.9
Total	26.1	32.0

Note: These data only relate to employed persons aged 15 and over who worked in their main job for an employer for wages or salary, or in their own business if that business was a limited liability company. Employment status is determined by the main job held.

Source: Unpublished data from the ABS Labour Force Supplementary Survey, August 1984 and August 1996.

The high incidence of both part-time and casual employment among teenagers is, in part, a function of the large numbers of young people who are unavailable for full-time work because they are involved in study. In Table 7, for example, the teenage work force is disaggregated into four distinct groups according to employment arrangements (full-time permanent employees, part-time permanents, full-time casuals, and part-time casuals) after first separately identifying (full-time) students and non-students. Almost all of the student employees (97.6 percent) are part-time workers, and the large majority of these are casuals as well. In contrast, among the non-students, the incidence of both part-time employment and casual employment is much lower (24.8 percent and 31.5 percent respectively). Indeed, for teenage females who are non-students, the part-time employment share is actually quite a deal lower than for prime-age adult females (36.5 percent compared with 40.3 percent). Part-time adult women, however, have a greater likelihood of being in permanent jobs and hence the casual share is still higher among teenage non-student females (35 percent) than among adult females (27 percent).

Are part-time jobs 'bad' jobs?

It is often assumed that the rising incidence of part-time employment, and especially part-time casual employment, is an undesirable trend. Campbell (1996), for example, highlights the disadvantages associated with casual employment - lack of entitlement to many employment benefits, high levels of employment insecurity, relatively low and

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Table 7: Composition of teenage employees by study status and sex, August 1996 (%)

	Males	Females	Persons
Students			
Full-time permanent	2.4*	0.8*	1.5*
Part-time permanent	6.4	5.2	5.7
Full-time casual	1.5*	0.5*	0.9*
Part-time casual	89.7	93.5	91.9
Non-students			
Full-time permanent	68.0	56.5	63.3
Part-time permanent	3.1	8.2	5.2
Full-time casual	15.4	7.0	11.9
Part-time casual	13.5	28.3	19.6
Total			
Full-time permanent	40.2	23.9	32.1
Part-time permanent	4.5	6.4	5.5
Full-time casual	9.4	3.2	6.3
Part-time casual	45.9	66.5	56.1

Notes These data only relate to employed persons who worked in their main job for an employer for wages or salary, or in their own business if that business was a limited liability company. Employment status is determined by the main job held.

* Relative standard error high (greater than 25 percent) and hence estimate may be unreliable.

Source: Unpublished data from the ABS Labour Force Supplementary Survey, August 1996

volatile earnings, irregular hours, and lack of effective union representation. Even more worrying is the possibility that exposure to part-time and casual employment may result in young people being denied access to the same career paths and training and promotion opportunities that are available to members of the permanent work force (Romeyn 1992, p. 67).

In fact, analysis of data from the 1993 Survey of Training and Education indicates that the concentration of young people in part-time and casual jobs does not account for the generally low levels of participation by young people in formal employer-sanctioned training (Wooden 1996a). That is, relatively low levels of participation in formal training courses while employed were common to all teenagers irrespective of their employment status, and presumably reflects employer concerns about investing in human capital which is perceived to be highly mobile.[10]

Furthermore, if part-time employment is so undesirable, then it does not appear to be reflected in the hours preferences of most young people. Only about one-quarter of teenage employees in part-time jobs express preferences for work involving longer hours, though it is true that this proportion has gradually increased over the last two decades (see Table 8).[11] It is, however, very important to distinguish between students and non-students. Most of the young part-time job holders who are not interested in full-time employment are full-time students. Among non-students in part-time work, the proportion expressing preferences for longer working hours is much higher. Indeed, the proportion of teenage non-students in part-time employment who desire employment offering longer hours - 65 percent of females and 72 percent of males - is considerably greater than among the adult workforce.[12]

This distinction between students and non-students is highlighted in the interview-based research reported in Baker, Fan and Robertson (1995). They concluded that the experiences and aspirations of students differ substantially from those of non-students. More specifically, they observed that part-time and casual work is typically described in a positive light by students - a source of valuable income and work experience while studying, yet at the same time not overly impinging on study time. Non-students, on the other hand, were found to be much more likely to be working part-time simply because full-time work could not be found.

If part-time and/or casual jobs are 'bad' jobs, then exposure to such jobs when young must be associated with a tendency to remain in such jobs once older. This argument will not apply to most students, where casual employment is likely to have little bearing on employment obtained after completion of school and post-school education. In contrast, this argument is likely to apply with much greater force to early school leavers who accept part-time casual

Table 8: The incidence of underemployment among part-time workers by age and sex, 1981-1997 (%)

	1981	1986	1991	1996	1997
Males					
Teenagers	21.1	20.8	26.2	29.3	28.2
Young adults	28.0	39.9	45.4	44.5	41.6
Prime-age adults	26.2	35.6	49.0	47.6	52.1
Mature-age adults	4.0*	11.5	17.6	19.2	18.4
Total	20.0	26.5	35.4	37.0	38.4
Females					
Teenagers	21.2	23.1	26.4	23.7	23.7
Young adults	22.6	26.4	36.4	35.6	37.5
Prime-age adults	9.5	13.8	19.2	19.6	20.2
Mature-age adults	5.0*	5.1	9.4	8.7	10.0
Total	11.5	15.1	20.8	20.7	21.5

Notes: Data relate to August of each year.
* Relative standard error high (greater than 25 percent) and hence estimate may be unreliable.
Source: ABS, *The Labour Force, Australia*, ABS cat nos 6203.0, various issues.

employment only because more secure employment could not be found. Such persons may find that the early cessation of formal education in combination with the lack of exposure to structured work-based training will impede skills acquisition and ultimately have serious detrimental effects on future employability.

The industrial and occupational composition of teenage employment

The distribution of teenage employment across industries and occupations has always been very different to that of older workers (see BLMR 1985). As shown in Table 9, teenagers are relatively highly concentrated in a small number of industrial sectors, and especially Retail trade. In August 1996 this sector accounted for 48 percent of all teenage employment. Moreover, this high concentration of teenagers in retail trade has increased, with the proportion employed in Retail trade falling by three percentage points since 1991.

Perhaps more significantly, the concentration of teenagers in this industry sector is more than three times that for the total work force, as measured by the Relative Concentration Ratio (RCR). The only other industry divisions where there are noticeably high concentrations of teenagers (as reflected in RCRs well above one) are Accommodation, Cafes and restaurants and Cultural and recreational services.

In summary, teenagers are highly concentrated in one major industry sector – Retail trade – though relative to adult workers, relatively high concentrations are also found in the service sectors supporting tourism and recreation. Part-time and casual employment is widespread in all of these industries, suggesting that the greater willingness of teenagers to accept part-time and casual work may partly explain the high incidence of teenage employment in these industries. As discussed in greater detail in Wooden (1996a, pp. 24-30), these industries are also low training industries, suggesting that another explanation for the relative attraction of teenage employment in these industries may lay lie in their relatively lower wage costs, given many awards (and certainly all awards that apply in the retail trade sector) specify wage rates for teenagers (or juniors) that are some fraction of the adult rate.

Table 9: Industrial distribution and relative concentration of teenage employment by sex, August 1991 and August 1996.

	1991				1996			
	Male		Female		Male		Female	
	%	RCR[a]	%	RCR[a]	%	RCR[a]	%	RCR[a]
Agriculture, forestry & fishing	6.3	0.96	1.8	0.49	7.0	1.12	2.0	0.55
Manufacturing	15.1	0.85	4.4	0.47	15.4	0.89	3.4	0.41
Construction	10.5	1.03	0.6	0.31	7.8	0.71	0.8	0.36
Wholesale trade	6.3	0.81	2.9	0.60	4.9	0.69	1.8	0.41
Retail trade	38.5	3.22	51.0	2.97	40.4	3.13	56.8	3.25
Accommodation, cafes etc.	6.5	1.97	8.1	1.38	6.6	1.85	8.4	1.43
Property & business services	3.6	0.45	5.6	0.67	6.1	0.64	6.4	0.63
Finance and insurance	2.0	0.55	4.8	0.81	1.0	0.36	1.6	0.33
Health & community services	1.2	0.29	6.6	0.41	1.0	0.27	5.7	0.35
Cultural & recreational services	2.0	1.09	2.9	1.15	2.8	1.41	3.5	1.35
Personal and other services	2.2	0.70	5.8	1.33	1.8	0.54	5.6	1.32
Other[b]	6.0	0.27	5.5	0.28	5.1	0.25	4.0	0.20
Total	100.0		100.0		100.0		100.0	

Notes: **a** RCR denotes relative concentration ratio (proportion of teenagers employed in each industry relative to the proportion of all employed persons working in that industry.

b Comprises: Mining, Electricity, Transport and Storage, Communication services, Government administration and defence, Gas and water supply, and Education

Source: Unpublished data from the ABS Labour Force survey

Table 10: Occupational distribution and relative concentration of teenage employment by sex, May 1991 and May 1996

	1991				1996			
	Males		Females		Males		Females	
	%	RCR[a]	%	RCR[a]	%	RCR[a]	%	RCR[a]
Manager and administrators	1.0	0.06	0.3	0.05	0.4	0.03	0.3	0.05
Professionals	1.3	0.10	1.8	0.14	0.7	0.05	1.9	0.13
Para-professionals	1.9	0.36	1.0	0.15	1.7	0.32	0.5	0.38
Tradespersons	30.3	1.26	4.7	1.27	25.1	0.11	3.6	1.03
Clerks	4.2	0.61	21.2	0.67	4.6	0.75	13.6	0.46
Salespersons and personal serv. work	20.7	2.26	58.5	2.57	21.0	1.97	66.5	2.55
Plant & machine operators & drivers	3.9	0.37	1.3	0.46	4.0	0.38	0.6	0.30
Labourers & related workers	36.6	2.13	11.3	0.89	42.6	2.54	13.1	1.08
Total	100.0		100.0		100.0		100.0	

Notes: **a** RCR denotes relative concentration ratio (proportion of teenagers employed in each industry relative to the proportion of all employed persons working in that industry.

Source: Unpublished data from the ABS Labour Force survey

Teenagers are also concentrated in specific occupations, though the data presented in Table 10 are too highly aggregated to demonstrate the full effect of this segmentation. According to these data, teenage male employees are concentrated in three major occupational groups - Labourers and related workers, Tradesmen (reflecting the role of craft-based apprenticeships) and Salespersons and personal service workers. Together, these three groups account for close to 90 percent of all teenage male employment. Furthermore, in all three of these cases teenagers are over-represented relative to adult males.

In contrast, among teenage females, one occupational grouping - Salespersons and personal service workers - stands out as the most dominant, accounting for two-thirds of all female teenage employment.

Additionally, more recent data suggests that even within these groupings, teenagers are concentrated in relatively low skilled occupations. In August 1996 the Australian Bureau of Statistics (ABS) introduced a new occupation classification system that is more closely related to skills than the previous system. In particular, it distinguishes between clerical, service and sales jobs that involve advanced, intermediate or elementary skills. Teenagers are predominantly employed in the latter types of jobs. Indeed, in August 1997, 58 percent of teenagers were employed in either elementary clerical, sales and service occupations or in largely unskilled labourer occupations. The comparable proportion among prime-age adults was just 16 percent.

Finally, comparisons over time, even though limited here to just a five-year period, suggest a shift in the composition of teenage employment towards less skilled employment.

Firm size

Another interesting feature of teenage employment is that it tends to be concentrated in small firms. As reported in Table 11, data on wage and salary earner employment from the 1993 Survey of Training and Education indicates that 43 percent of teenage employees (exclusive of persons still at school) were employed in businesses with fewer than 20 employees, compared with only 22 percent of adults. Further, this difference was not simply a product of the different industrial mixes of the two populations, with a higher concentration of teenage employees in small business being a characteristic of employment in Manufacturing, Construction, Transport and storage, Finance, property and business services and Community services. Strangely enough, only in Wholesale and retail trade, the sector which accounts for the largest share of teenage workers, was there any evidence of teenagers being more concentrated in large businesses than their adult counterparts.

One likely explanation for this prevalence of teenage employees in small business is the lesser importance of human capital and skills to small business. As documented at length in Wooden (1996b), small businesses are far less likely to invest in training and is reflected in a much higher concentration in small businesses of jobs with low skill requirements.13 Such jobs, however, while they may not offer significant training opportunities, are ideally suited, at least from the perspective of employers, for unskilled, inexperienced workers. Moreover, teenage workers are especially attractive given awards typically specify that they need only be paid a proportion of the adult rate (usually varying between 40 percent and 80 percent of adult rates depending on age).

Table 11: Wage and salary earner employment by firm size and industry (%) – teenagers and adults compared

	Firm size (no of employees)			Signif. of difference[a]
	<20	20-99	100 or more	
Agriculture				
Teenagers	76.0	11.7*	12.3*	
Adults	67.7	13.3	18.9	ns
Manufacturing				
Teenagers	46.0	20.4	33.6	
Adults	18.1	14.5	67.3	<0.001
Construction				
Teenagers	78.4	13.7*	7.9*	
Adults	50.9	16.1	33.0	<0.001
Wholesale & retail trade				
Teenagers	33.1	8.5	58.4	
Adults	37.1	16.3	46.6	<0.001
Transport & storage				
Teenagers	52.2*	**	32.1*	
Adults	14.7	10.1	75.2	<0.001
Finance, property & business services				
Teenagers	53.6	17.7*	28.8	
Adults	24.8	11.2	64.0	<0.001
Community services				
Teenagers	32.1	14.3*	53.7	
Adults	13.6	13.6	72.8	<0.001
Recreational & personal services				
Teenagers	46.6	25.9	27.5	
Adults	41.6	20.4	38.0	ns
Total[b]				
Teenagers	42.9	14.0	43.1	
Adults	22.4	13.5	64.1	<0.001

Notes: The data relate to all employed wage and salary earners, except persons still at school. Adults are defined as persons aged 25 years and over.

a Probability that the difference in the distribution of employment between teenagers and adults is zero.

b Also includes: mining, electricity, gas & water, communications; and public administration and defence.

* Relative standard error high (between 25 and 50 percent) and hence estimate may be unreliable.

** Relative standard error too high (greater than 50 percent) to be of any practical use.

Source: Unpublished data from the ABS 1993 Survey of Training and Education

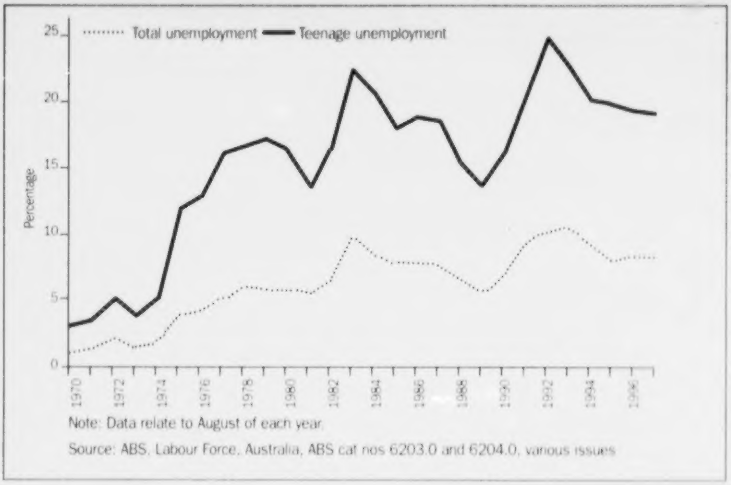
Teenage unemployment

The unemployment rate

Undoubtedly the most serious youth labour market issue has been the rise and persistence of unemployment. As documented in Figure 2, teenage unemployment rates have risen from around three percent in 1970, to around 20 percent today (but peaking at 25 percent in 1992). In large part, the deterioration in the teenage labour market is simply a function of the deterioration in the wider labour market, with movements in the teenage unemployment rate being mirrored by movements in the total unemployment rate. Indeed, the ratio of teenage unemployment to total unemployment fell from about three in the mid-1970s to just under 2.5 by the early 1980s and has not changed greatly since. Further, the share of teenage unemployment in total unemployment has actually fallen over this period (see Hardin and Kapuscinski 1997, p. 9). Nevertheless, teenage unemployment remains of particular importance because of the potential for 'scarring'. That is, unemployment when young almost certainly increases the likelihood of individuals being exposed to unemployment as adults. Both Junankar and Wood (1992) and Hardin and Kapuscinski (1997) have reported evidence for this scarring effect using data from the Australian Longitudinal Survey.

Very differently, it has been claimed that the official unemployment rate overstates the extent of joblessness among youth. Prime Minister Keating in the run-up to the 1996 federal election, for example, claimed that rather than the official rate of 21 percent that prevailed at the end of 1995, seven percent would be a fairer reflection of the true jobless rate among teenagers. The argument here is that the denominator in the unemployment rate calculation - the labour force - may be increasingly less useful for evaluating change in the state of the labour market. As noted earlier, as participation in education has increased, labour force participation among young people has commensurately declined. Consequently, while the measured unemployment rate may be rising, the pool of young people available for work may be declining.

The ABS in its June 1995 issue of The Labour Force put forward a number of alternative unemployment ratios for evaluating the teenage labour market.



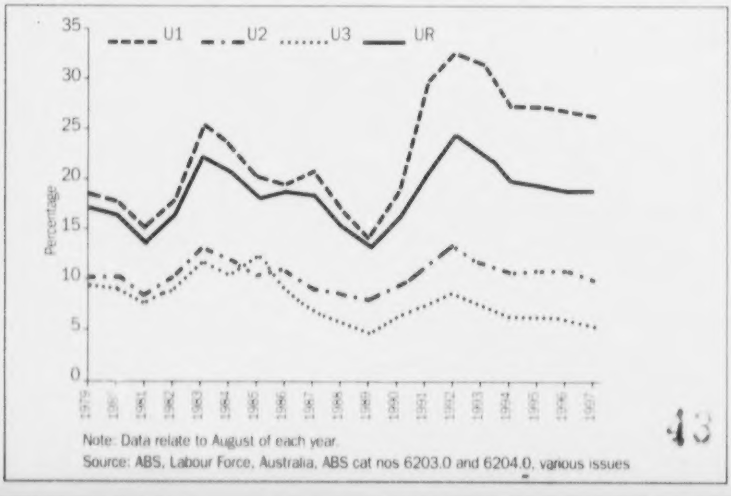
Note: Data relate to August of each year.

Source: ABS, Labour Force, Australia, ABS cat nos 6203.0 and 6204.0, various issues

Figure 2:
Teenager and total unemployment rates, 1970 - 1977

Three of these measures are graphed against the conventional unemployment rate (UR) in Figure 3. As can be seen, how the unemployment measure is constructed has enormous implications for what is concluded about trends in teenage unemployment. If either the conventional unemployment rate or the unemployment to population ratio (U2) is preferred, the conclusion that would be drawn is that the teenage labour market is only marginally healthier than it was during the 1983 recession. On the other hand, if the full-time unemployment rate (U1) is preferred (as appears to be advocated in the Report of the House of Representatives Standing Committee on Employment, Education and Training [1997, p. 7]), it would be concluded that things are in fact still much worse than in 1983. Finally, if the unemployment to 'fully active' (those in the labour force plus persons in full-time education) ratio (U3) is preferred, the conclusion that would be drawn is that, over the longer term, the teenage labour market has markedly improved.

Which of these measures is to be believed? Anecdotal evidence suggests that the latter statement is difficult to believe. Could it really be that job opportunities for teenagers have been improving over time? Ultimately, the problem with measures which attempt to take into account participation in education is that the decision to continue in education will itself be a function of the level of employment opportunities. As a result, it seems reasonable to assume that a good proportion of those still involved in education are only there because work cannot be found. A better measure of under-utilisation in the teenage labour



Note: Data relate to August of each year.

Source: ABS, Labour Force, Australia, ABS cat nos 6203.0 and 6204.0, various issues

Figure 3:
Alternative measures of teenage joblessness, 1979 - 1997

Table 12: Average duration of unemployment by age, 1981-1997 (weeks)

Year	Teenagers	Young adults	Prime-age adults
1981	25.4	32.4	38.0
1986	29.8	43.4	55.7
1991	25.1	36.8	46.6
1996	27.0	37.1	55.5
1997	25.6	43.4	64.2

Note: Data relate to August of each year.

Source: ABS, *The Labour Force, Australia*, ABS cat. nos 6203.0.

market would involve identifying these 'hidden unemployed' and incorporating them into the under-utilisation measure. Unfortunately, identifying such individuals is no simple matter. The ABS, for example, provides estimates each September of what it labels discouraged job seekers. In 1996 the number of discouraged job seekers aged between 15 and 19 years was just 5700. Inclusion of these individuals within the unemployment pool would have an imperceptible impact on the measured unemployment rate. At the other extreme, the ABS also provides estimates of the total number of persons who would like to work (and were available to start work) even though they were not actually looking for such work. In September 1996, teenagers fitting this description numbered 159,500, most of whom gave their main reason for non-participation in the labour force as participation in education. If these individuals were added to the number of unemployed, the unemployed to fully active ratio would (in September 1996) rise from 7.4 percent to almost 22 percent; a level in excess of the official unemployment rate.

Table 13: Relative earnings of juniors by sex and hours worked, 1981-1996 (%)

	Males		Females	
Year	Full-time	Part-time	Full-time	Part-time
1981	58.8	58.3	63.7	63.7
1986	50.2	57.4	57.1	60.0
1991	51.1	57.0	56.0	59.7
1995	45.3	53.9	51.8	58.2
1996	45.5	na	51.7	na

Notes: Relative earnings are represented by average hourly earnings of junior non-managerial employees as a percentage of average hourly earnings of adult non-managerial employees, where juniors are those employees who are under 21 years of age and are not paid at the adult rate for that occupation.

The data apply to the month of May in each year and only relate to wage and salary earners in the civilian non-farm work force who received pay during the survey reference period.

Source: ABS, *Employee Earnings and Hours, Australia*, (ABS cat. no. 6306.0), various issues

The bottom-line is that without better data on employment aspirations, the conventional unemployment rate measure remains our best guide to how the state of the teenage labour market is changing over time, and this measure suggests the long-term trend is upwards. Australia, however, is currently on the upward swing of the economic cycle and hence both the teenage and the total unemployment rate are currently trending downwards.

Unemployment duration

While the relationship between the rates of teenage and adult unemployment may not have changed greatly over the last two decades, the relationship between the duration of teenage unemployment and the duration of adult unemployment has. As noted earlier, young people can be expected to have shorter durations of unemployment than older workers. Table 12, however, also indicates that over the course of the last 16 years the average duration of unemployment among teenagers has not greatly changed, whereas for prime-age adults the mean length of unemployment duration has increased by almost 70 percent.

Such results would seem to suggest that the unemployment experience has become much more severe for adults relative to teenagers. Such conclusions would be misleading. Young people become adults, and hence the duration of teenage unemployment will be truncated by the aging process. Further, the increased rates of participation in education, by delaying the time at which young people enter the labour force, work against any increase in average unemployment duration among teenagers.

Relative earnings

It is widely believed that the much higher rates of unemployment among teenagers reflect wage structures which cause youth to be overpriced in the labour market. The earnings of young Australians relative to their adult counterparts, however, have fallen noticeably over the last two decades, yet despite this, the gap between youth and adult unemployment rates has not greatly changed.

As documented in Table 13, the ratio of junior hourly earnings to adult hourly earnings has fallen for both males and females, and for both full-time and part-time workers. Moreover, the fall has been quite large, especially for full-time workers.

Simple data such as these, however, may disguise more than they reveal. For example, these data do not hold constant shifts in the industrial composition of youth employment. If relative youth pay rises in one sector but not in another, economic theory suggests a substitution of labour out of the higher-paying sector into the lower-paying sector. Average earnings within the total youth work force, however, could fall as a consequence of the greater proportion of youth now working in the lower paying sector, even though the costs of youth labour have actually risen. Indirect evidence on such substitution effects is provided in Table 14, which correlates data on teenage wage and salary earner employment by industry over the period August 1986 to August 1996 by average youth earnings in those industries. This table reveals that the share of teenage full-time employment accounted for by both

Table 14: Average weekly earnings of juniors by industry and the changing industrial composition of teenage employment

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Industry	FT average weekly earnings, 1996 ($)	Share of teenage FT employment 1986 (%)	Share of teenage FT employment, 1996 (%)	FT teenage employment growth, 1986-96 (%)	PT job growth as a % of FT job losses
High pay industries		23.7	17.7	61.5	4.9
Mining	460.40	1.4	0.7*	19.6	**
Finance & insurance	367.90	9.9	2.7	86.2	3.0*
Construction	358.50	7.2	10.9	21.5	-4.7
Communication	349.60	1.3	1.1*	56.4	38.7*
Government admin.	342.30	3.9	2.4	68.7	8.9*
Average pay industries		31.8	34.1	44.8	31.6
Manufacturing	335.90	19.2	20.8	44.2	-0.8
Electricity, gas & water	329.10	1.5	**	90.5	**
Transport & storage	324.70	2.8	2.1	61.9	4.1*
Wholesale trade	324.30	5.7	5.9	46.6	1.8
Accommodation, cafes etc	324.20	2.6	5.1	0.9	18800.0
Low pay industries		44.4	48.2	44.1	144.3
Retail trade	309.90	25.7	26.8	46.2	189.7
Personal & other servs	309.20	4.2	5.6	32.4	114.0
Cultural & rec. servs	302.20	1.7	1.4*	56.9	39.0
Education	301.70	1.1	0.8*	61.7	89.7
Property & bus. servs	300.00	6.1	9.9	16.3	197.4
Health & comm. servs	264.70	5.6	3.7	65.0	34.0

Notes: All data used relate to non-farm employees (ie. wage and salary earners). The earnings data, however, exclude managerial employees, whereas these employees are included in the employment data.

* Relative standard error high (between 25 and 50 percent) and hence estimate may be unreliable.

** Relative standard error too high (greater than 50 percent) to be of any practical use.

Sources: ABS, *Employee Earnings and Hours, Australia, May 1996* (ABS cat. no. 6306.0).
Unpublished data from the ABS Labour Force Survey.

relatively low-paying industries, such as retail trade and property and business services, and average paying industries, such as accommodation, cafes and restaurants and manufacturing, has increased, while in higher paying sectors such as mining, finance and government administration, the share has fallen. This will have the effect of reducing the rate of earnings increase for teenagers below what it would otherwise have been if industrial structure had not changed. However, changes in industrial composition have also been affecting the adult labour market and, as a consequence, the net effect on the measured relative earnings of teenagers is relatively small.[14]

Indeed, the key feature of Table 14 is not the relationship between the changing composition of full-time employment and teenage earnings, but the relationship with the substitution of part-time jobs for full-time jobs. Among the 'high pay industries' there has been very little part-time job growth, with part-time job growth over the period 1986 to 1996 representing less than five percent of the full-time job losses. In the 'average pay industries' part-time job growth has been more substantial (but dominated by the accommodation, cafes and restaurant sector), but still not adequate to prevent a substantial fall in total employment. Finally, in the 'low pay industries', part-time job growth has been so rapid that total employment has increased, with the new part-time jobs representing 144 percent of the lost full-time jobs.

Returning to the relative earnings data, Table 13 also reveals nothing about changes in the underlying productivity of youth labour. As argued by both Sweet (1995) and Sloan and Taylor (1995), the rise in school retention and the increase in participation in higher education has meant:

(i) a reduction in the average quality of teenage labour making themselves available for employment; and

(ii) a decline in the average level of work-related experience and skills possessed by young people at all ages above the minimum school leaving age.

The consequences of these changes are that employers may actually find themselves paying more for inexperienced workers. As Sweet (1995, p. 107) has pointed out, compared with two decades ago, most school leavers now enter the labour market two years later, but without any other noticeably different characteristics. Given junior wage relativities (as prescribed in awards) have remained unchanged (see DIR 1996, p. 6), employers of school leavers would in effect be paying more for inexperienced school leavers than they did 20 years ago.[15] Moreover, the increased cost is large. In a typical award offering junior rates of pay (such as the NSW Shop Employee's (Store) Award), a 16-year old only earns 50 percent of the adult award rate. For an 18-year old, the ratio is 70 percent. The effective cost of employing school leavers has therefore increased by around 40 percent.

Overall, it is suspected that the fall in relative earnings of junior employees does not reflect any underlying fall in the cost of teenage labour, but instead is the result of declines in the relative productivity of teenagers. Data deficiencies, however, necessitate that these conclusions be treated with caution. Further, evidence is clearly required in order to determine the level of confidence which can be attached to these conclusions.

Conclusions

It is very difficult to understate the magnitude of change that has affected the teenage labour market over the last quarter of a century. The most significant change has been the decline in the number of full-time job opportunities, which in turn has helped fuel the marked increases in school retention and levels of participation in higher education observed in the 1980s and early 1990s.

Full-time jobs are gradually being replaced by part-time, casual jobs, the majority of which are highly concentrated in low-skill occupations in relatively low-paying industries. These new part-time, casual jobs, however, are not necessarily 'bad' jobs. Indeed, for teenagers still involved in full-time education, these jobs would appear to be largely consistent with individual preferences. Moreover, the absence of opportunities for training and skills acquisition is not particularly problematic given such jobs are unlikely to bear much relationship to the jobs sought after completion of study. For non-students, and especially early school leavers, however, the exposure to low skilled, casual jobs rather than more training intensive jobs, may well be problematic.

Even more worrying, of course, is the high incidence of unemployment among young people. While the level of joblessness among teenagers has not deteriorated relative to the level among adults, there are good reasons to suspect that spells of unemployment when young have a scarring effect, and increase the likelihood of individuals being exposed to further spells of unemployment when older. Success in tackling the youth unemployment problem would therefore help to lower unemployment rates within the adult population in the future.

Finally, there are good reasons to be concerned that the changing structure of the teenage labour market might have raised the cost of teenage labour. Despite an apparent fall in the measured earnings of juniors relative to adults, and even assuming no change in award wage relativities, employers today may find themselves paying more for inexperienced labour than 20 years ago. This results because the average school leaving age has effectively risen but most awards require employers to pay workers who are two years older more simply because of their age and not because they are necessarily more productive.

The policy conclusions that flow from this overview of the teenage labour market can be clustered into two categories. First, greater attention needs to be given to stimulating employer demand for youth labour, and especially early school leavers. The current federal government is hoping that the creation of a more competitive and, hopefully, more client-driven, market for employment services will facilitate better matching of job seekers to unemployed. This, however, will need to be bolstered by measures that: (i) provide incentives for service providers to place 'at risk' job seekers, including early school leavers; and (ii) encourage potential employers to hire these less attractive individuals. This might, for example, involve a return to greater use of wage subsidies. While subsidy schemes may not actually create many additional long-term jobs, they can at least help redistribute the burden of unemployment more equally.

Second, serious consideration must be given to youth wage structures. At a minimum, any shift towards competency-based pay must be abandoned. So-called competency-based wage systems can be expected to penalise teenagers since such systems either: (i) will not account for intangible factors such as maturity and life experience which are valued by employers; or (ii) will be so administratively complex as to discourage employers from having their employees assessed and thereby effectively removing the cost incentive for employing teenagers provided by age-based pay systems. If the obstacles generated by anti-discrimination laws cannot be overcome, then the experience-based progression system provided by the National Training Wage would be a second-best solution though, as argued in the Report of the House of Representatives Standing Committee on Employment, Education and Training (1997, pp. 81-82), this system is still much more complex to administer than a simple age-based progression.

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Endnotes

[1] A full-time worker is defined as anyone who usually works 35 hours or more a week in all jobs and others who, although usually working less than 35 hours a week, worked 35 hours or more during the survey reference week.

[2] Though Brooks and Volker (1986) have found that this is only true of males. Among females, older women were found to have the highest probabilities of exiting unemployment.

[3] The full-time labour force participation rate is constructed as the number of persons in full-time employment plus the number of persons looking for full-time work, as a percentage of the total civilian population in that age group.

[4] Full-time labour force participation rates have also been declining among prime-age adult males. This decline from 92 percent to 85 percent however, is not as pronounced as among teenage males. In contrast, and unlike teenage females, full-time labour force participation rates for prime-age adult females have been rising since 1978, increasing from just 32 percent in 1978 to 41 percent by August 1997.

[5] By comparison, over this same period, part-time labour force participation rates for prime-age males rose from just 2.6 percent to 6 percent. For prime-age adult females the rate rose from 21 percent to 33 percent.

[6] These data come from ABS, *Schools, Australia*, ABS cat. no. 4221.0.

[7] Derived from ABS, *Transition from Education to Work, Australia*, ABS cat. no. 6227.0.

[8] Derived from ABS, *Persons Not in the Labour Force, Australia, September 1996*, ABS cat. no. 6220.0.

[9] Using any employment rather than full-time employment sees the age of transition rise from 18 years to 21 years.

[10] This is compensated for, at least in part, by high levels of relatively inexpensive unstructured on-the-job training within the teenage work force and by greater levels of participation by teenagers in institution-based education.

[11] This compares with about 50 percent of prime-age adult males and 21 percent of prime-age adult females.

[12] The figures cited are derived from unpublished data provided by the ABS from the August 1997 Labour Force Survey.

[13] Factors cited by Wooden (1996b) as underlying the lower levels of training in small business include: scale economies in the provision of training; the absence of well developed internal labour markets; and the relatively high rates of failure among small businesses.

[14] Changes in the age composition of the teenage labour force might also affect the measured relative earnings of teenagers. Such effects, however, are very small. Between August 1981 and August 1986 the average age of the teenage work force varied only slightly, falling from 17.6 to 17.4 years. For full-time teenage workers, the reverse is the case, but the size of the change is again small - rising from 17.8 years to 18.1 years.

[15] While the assessment of the then Department of Industrial Relations is that award relativities for juniors have not changed much since 1983, there is evidence of substantial variability across awards. In the retail trade sector, the various State awards appear to be converging on the rates that apply in the New South Wales award, and has typically meant some small increases in award rates of pay at some ages. In the Clerical and Administrative Employees (NSW) Award, on the other hand, junior pay (as a proportion of the minimum based adult rate) has declined by between three and four percentage points at all ages.

School Participation, Retention and Outcomes

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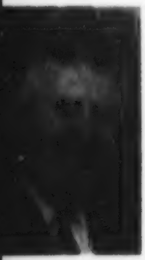

The percentage of young people remaining to the final year of secondary school has fallen somewhat from the high point of 1992, but remains higher than in 1990 or any year prior to that.

- The decline in school completion has been uneven and has impacted most on Government schools and least on Catholic schools. It has also impacted more on males from low socioeconomic backgrounds than other groups.

- Secondary school completion rates continue to be higher among those with higher levels of earlier school achievement, females, those from enriched social backgrounds and those of non-English speaking background. There are also differences between states that appear to reflect curriculum provision.

- During the 1990s participation in senior school programs that link schools with vocational education and the world of work has grown as those programs have become more firmly established in school systems.

- The destinations of school leavers continue to emphasise further education rather than work and there appears to be both a decline in full-time work, and a growth in part-time work (without a link to education) as destinations for school leavers.

School Participation, Retention and Outcomes

Just over seven out of ten of the young Australians who commenced secondary school in 1991 or 1992 (depending on the State of Territory) remained at school to the final year of secondary school in 1996.

More than eight out of ten of this group remained at school to the Year 11 in 1995 and almost all (97 percent) had remained at school to Year 10 in 1994. Despite a fall in school retention rates since 1992 these figures still represent high levels of participation in the senior years of secondary school in relation to those that prevailed until the mid 1980s. High rates of school completion impel some rethinking of the purposes of those senior secondary years. Whereas two decades ago the senior secondary years of school had been oriented to university entrance other destinations for high school graduates have become important.

There are other issues that arise from high rates of school completion such as what becomes of those who do not complete secondary school, which students do not complete secondary school and what are appropriate rates of school retention. Targets for participation in post compulsory education and training were adopted following a report from The Australian Education Council Review Committee: Young People's Participation in Postcompulsory Education and Training (AEC, 1991). The first of these targets specified that by 2001, 95 percent of 19 year-olds should be participating in Year 12, have completed Year 12, have completed Years 10 or 11 and be participating in some formally recognised education and training, or have completed Years 10 or 11 and some formally recognised education and training. The second set of targets specified that by 2001, 60 percent of 22 year olds should be participating in education and training programs which lead to level 3 awards (eg a trade certificate), have attained level 3 (or above) qualifications, or be participating in (or have completed) higher education studies such as degrees and diplomas.

Changes in School Retention Rates

The 1990s saw school retention rates to Year 12 rise to an historically high level of 77.1 percent in 1992 and then fall to 71.3 percent in 1996. Details of this change have been shown in the apparent retention rates recorded in Table 1. An apparent retention rate indicates the percentage of a given entering cohort who continue to a particular Year level and is thus a measure of the holding power of the school system[1]. Apparent retention rates can be calculated for Australia as a whole or for components such as States or sectors.

Table 1 contains information for the period from 1990 to 1996 as well as data from 1981 and 1986 as a reference point. This earlier data provides a sense of the magnitude of the decline in retention rates. In the period from 1992 to 1996 Year 12 retention rates have only declined to 1991 levels and remain above 1990 levels and well above rates from the early 1980s.

Retention Rates to Years 10, 11 and 12

The data in Table 1 show that the rise and fall in Year 12 retention rates was also observed at Year 11 but to a smaller extent. The fall in Year 11 retention rates from 1992 to 1996 was 4.4 percentage points (from 87.8 to 83.4 percent) compared to the fall of 5.8 percentage points for Year 12. At Year 10 the fall was

Table 1: Apparent Retention Rates to years 10, 11, 12

	1981	1986	1990	1991	1992	1993	1994	1995	1996
Persons									
Year 12	34.8	48.7	64.0	71.3	77.1	76.6	74.6	72.2	71.3
Year 11	55.2	69.3	80.5	86.0	87.8	87.4	85.3	83.3	83.4
Year 10	91.4	94.1	98.2	98.8	99.1	98.3	97.0	96.4	96.7
Females									
Year 12	37.8	52.1	69.0	76.7	82.0	81.4	79.9	77.9	77.0
Year 11	59.0	70.9	84.5	89.2	90.7	90.5	88.9	87.2	87.6
Year 10	92.6	95.1	[illegible]	99.4	99.6	99.1	97.9	97.4	97.8
Males									
Year 12	[illegible]	45.6	[illegible]	66.1	72.5	71.9	69.6	66.7	65.9
Year 11	51.6	65.7	76.4	82.9	85.1	84.5	82.0	79.5	79.5
Year 10	90.3	93.2	97.1	98.2	98.5	97.5	96.0	95.5	95.7

Source: Australian Bureau of Statistics. Schools Australia (Catalogue Number 4221.0) Various years.
Department of Employment Education and Training (1991) Retention and participation in Australian Schools, 1967 to 1990. AGPS: Canberra.

Table 2: Apparent Retention Rates to year 12 by School Sector

	1981	1986	1990	1991	1992	1993	1994	1995	1996
Government	28.5	42.3	58.3	66.9	73.8	73.1	70.6	67.2	65.8
Catholic	45.6	57.4	68.1	71.9	76.0	76.6	75.5	75.3	75.4
Other non-Govt	89.2	91.2	99.8	100.8	101.5	98.1	97.3	95.6	97.0

Source: Australian Bureau of Statistics. Schools Australia (Catalogue Number 4221.0) Various years.
Department of Employment Education and Training (1991) Retention and participation in Australian Schools, 1967 to 1990. AGPS: Canberra.

smaller again: just 2.4 percentage points from 99.1 to 96.7 percent. These relativities mirror the rises from 1981 to 1992 during which period Year 12 retention grew more rapidly (by 42.3 percentage points) than Year 11 (by 32.6 percentage points). In other words the decline in apparent retention rates has been more marked at Year 12 than at Year 11 and this mirrors the previous differences in growth.

Gender Differences in Retention Rates

The decline in retention rates since 1992 has been greater for males than for females. Between 1992 and 1996 Year 12 retention rates for males fell by 6.6 percentage points (from 72.5 to 65.9 percent) compared to 5.0 percentage points (from 82.0 to 77.0 percent) for females. The same pattern was observed in Year 11 (a fall of 5.6 percentage points for males compared to 3.1 for females). Even in the Year 10 rates the fall was greater for males (2.8 percentage points) than females (1.8 percentage points).

Over the preceding period of growth, retention rates rose more for females than males. From 1981 to 1992, Year 12 retention rates for females increased by 44.2 percentage points compared to a gain of 40.5 percentage points for males. Hence the gap between males and females in participation in post compulsory schooling widened during a period of overall expansion and continued to widen during the following period of contraction.

Differences Between School Sectors

Comparing changes in apparent retention rates for school sectors can be misleading because observed changes in retention can result either from changes in school holding power within sectors or changes in the extent to which students transfer between sectors for the senior years of school. Recognising that caveat, the data in Table 2 indicate the apparent retention rates for different school sectors over the period from 1990 to 1995, with some additional data for 1981 and 1986. The problemarising from system transfers is evident in the apparent retention rates in excess of 100 for non-Catholic non-Government schools in 1991 and 1992

The data in Table 2 indicate that the decline in the year 12 apparent retention rate between 1992 and 1996 was greatest for Government schools (7.0 percentage points) and least for Catholic schools (where the decline was just 0.6 percentage points - or 1.2 points if taken from the highest point for those schools in 1983). Analyses of longitudinal individual - record data from the Australian Youth Survey support the interpretation that declines in school holding power over the 1990s were smallest for Catholic schools (Lamb, 1996). Over the 1980s the growth in retention to Year 12 was greatest for Government schools (45.3 percentage points between 1981 and 1992) followed by Catholic schools (31.0 percentage points between 1981 and 1992), and least for their non-government schools (11.6 percentage points between 1981 and 1992). The interesting issue arising from these data is why there has been so little loss of holding power from Catholic schools in the middle 1990s.

Differences Among States and Territories

Whereas differences in apparent retention rates between sectors can be confounded by the effects of inter-sectoral transfers, state differences can be influenced by inter-state migration and by changing policies on the way students who repeat a year are recorded. Over the 1990s South Australia and the Northern Territory changed the way in which repeating Year 12 students were recorded so the large apparent decline in the Year 12 retention rate for those States is partly a consequence of that change. Across the remaining States and Territories there were differences in the extent to which retention rates declined. In addition there are differences between States in the time at which retention rates peaked. If the difference between the peak retention rate and that for 1996 is considered it would appear that the largest decline was in Queensland (8.5 percentage points) and the smallest was in New South Wales (2.9 percentage points).

Even if the two territories are excluded from consideration (on the basis of each having populations somewhat different from the States) there remain substantial differences among States in apparent retention rates to Year 12: a gap of approximately 23 percentage points between Queensland and Tasmania. Although differences in social and economic conditions contribute to differences among States there is evidence that differences in senior school curriculum and assessment structures are also involved (Vickers, 1995). Vickers argues that school completion rates among States diverged during the 1980s in ways that were not explicable in terms of differences in youth labour markets. Three important factors associated with these state differences were the extent to which the senior school curriculum incorporated studies that were not oriented to university entrance, the extent to which certification involved school assessment of student work and the absence of a formal certificated examination at the end of Year 10 (Vickers, 1995).

Differences Associated with Social Background

Information about the association of school retention with various aspects of social background ideally requires longitudinal unit-record data incorporating social indicators. Williams et al (1993) analysed such data from nationally representative samples of young people to establish the extent to which differences in school completion rates were associated with such factors as :

- earlier school achievement (in 1989 the graduation rate for the top quarter of achievement was 83 percent compared to 22 percent for the bottom quarter);
- parental occupation (76 percent for those of professional background compared with 44 percent for those of an unskilled background);
- parental education (75 percent for those with a post secondary education compared 52 percent for those with only a primary or secondary education).
- non-English speaking background (76 percent for first generation NESB compared to 55 percent for Australian-born students); and
- home location (61 percent for urban

Table 3: Differences in School Completion Rates by Social Group

	1990/1991		1994	
	Males	Females	Males	Females
Professional	90.5	95.4	88.6	94.9
Intermediate Non-manual	85.0	91.2	81.0	86.5
Skilled manual	75.5	85.0	71.0	79.7
Unskilled	72.4	73.7	59.2	68.7

Source: Lamb 1996

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areas compared 51 percent for the most rural areas).

These analyses have also used multivariate techniques that allow conclusions of an "other things equal" type to be drawn (Williams et al, 1993). One of the important conclusions to emerge from those analyses is that disadvantage between groups tends "to operate in the longer term through its effect on the achievements of students in their primary and secondary school years" (Williams et al, 1993: 66). This is not to dismiss other influences such as the support given to students through teachers, parents and peers over the senior secondary years but to point to the importance of the development of a sense of competence in those earlier years. Another important conclusion to emerge from these analyses was that as school completion rates rose during the 1980s, schools recruited more widely to the senior secondary years so that the social composition of the senior secondary years moved a little closer to that of the wider population (Williams et al, 1993).

Lamb (1996) has analysed longitudinal unit-record data from the Australian Youth Survey to investigate social differences associated with declining school retention. In addition to confirming the continued existence of differences associated with the factors noted above, those analyses explored social influences on the decline in school retention rates. One result of consequence involves an interaction between gender and socioeconomic background. Relevant data are recorded in Table 3.

The decline in retention to Year 12 has been greater for young males from "unskilled" family backgrounds. Lamb concludes that the rate of school completion for this group fell by over 13 percentage points since the early 1990s. By comparison the falls in school completion for males from professional and managerial backgrounds was three percentage points. Among females the decline in school retention rates was both smaller and less strongly associated with socioeconomic background (Lamb, 1996). Differences in the decline in retention rates related to living in rural or urban areas and to language background were found to be negligible (Lamb, 1996).

Participation Rates

An alternative measure of the extent to which young people engage in school is provided by age participation rates: the percentage of an age group engaged in full-time schooling. Whereas retention rates are based on estimated progression through school participation rates refer to the population as a whole. Thus they avoid the complications caused by grade repetition in estimating retention rates. Age participation rates for school students are shown in Table 4.

In examining Table 4 it is worth focussing on the participation rates for 17 and 18 year-olds since those the ages most commonly associated with Year 12. The data in Table 4 indicate that the decline in participation in full-time schooling between 1992 and 1996 was greater

Table 4: Age Participation Rates in Full-Time Schooling for Young People Aged 16 to 19 Years: 1990 to 1996

	Males				Females				Persons			
	Age in Years				Age in Years				Age in Years			
	16	**17**	**18**	**19**	**16**	**17**	**18**	**19**	**16**	**17**	**18**	**19**
1996	**77.0**	55.3	**12.4**	2.2	**83.0**	63.1	**10.9**	1.8	**79.9**	59.1	**11.7**	2.0
1995	**75.7**	55.2	**13.0**	2.3	**82.1**	62.0	**11.6**	1.9	**78.8**	58.5	**12.3**	2.1
1994	**77.4**	56.5	**13.8**	2.7	**82.6**	63.0	**11.9**	2.1	**80.0**	59.7	**12.9**	2.4
1993	**78.8**	58.2	**15.0**	2.9	**83.8**	63.1	**12.9**	2.5	**81.3**	60.6	**14.0**	2.7
1992	**79.0**	58.2	**15.5**	3.1	**82.9**	62.4	**13.5**	2.7	**80.9**	60.3	**14.5**	2.9
1991	**78.1**	54.2	**13.2**	2.7	**82.6**	56.9	**11.7**	2.2	**80.3**	56.9	**12.5.**	2.5
1990	**72.8**	46.7	**11.2**	2.1	**78.8**	53.8	**9.9**	1.8	**75.7**	50.2	**10.6**	2.0

Source: Australian Bureau of Statistics. Schools Australia (Catalogue Number 4221.0) Various years.

among 18 year-olds than 17 year-olds (although 17 years is the modal age for students in Year 12). It also shows that the decline in participation among 17 and 18 year-olds was greater for males than females (in fact there was no decline for 17 year-old females).

There is also evidence from the Australian Bureau of Statistics collection Participation in Education that from 1991 to 1995 there were increases in full-time TAFE participation for 17 (from 2.5 to 4.3 percent) and 18 year-olds (from 5.9 to 8.1 percent) but declines in part-time TAFE participation (from 5.2 to 4.2 percent among 17 year olds and 10.1 to 7.4 percent among 18 year-olds). Declining part-time TAFE participation may reflect reduced apprenticeship intakes over the period.

The Senior Secondary Years

Over the 1980s, as school retention rates increased, the curriculum range in senior secondary schools broadened in terms of the range of subjects provided in schools, the curriculum frameworks within which those subjects were provided, and the organisational structures of senior secondary years. In the 1990s a range of different developments are being implemented to provide learning environments and curricula that are more appropriate to the post-school destinations of a more diverse study body. Changes to the Higher School Certificate in New South Wales are a recent and particular example of this phenomenon. The arrangements made for senior secondary reflect values and assumptions made about its purpose (Collins, 1995) and have considerable potential to influence what is studied.

Patterns of Subject Choice

The subjects studied in the senior secondary years can be a major influence upon the educational and career options available to young people. For this reason it is important to monitor patterns of participation in different subject areas so that all students can access studies that provide a sound basis for further education, work and an enriched personal life. The distribution of Year 12 enrolments across the full range of subject areas in 1990 and 1993 is shown in Table 5.

Table 5: Percentage Distribution of year 12 Enrolments Across Key Learning Areas and Subject Areas

Learning Area	Subject Area	1990 Survey	1993 Survey All	Male	Female
English	English	18.1	18.2	17.5	18.8
Mathematics	Mathematics	17.5	17.9	19.7	16.4
Society & Env	Humanities & Social Sciences	11.9	9.6	8.9	10.1
	Economics & Business	11.6	11.3	10.7	11.9
	Religious studies	na	2.0	2.0	2.0
		na	*22.9*	*21.6*	*24.0*
Science	Biological & Other Sciences	8.9	9.5	7.6	11.2
	Physical Sciences	8.1	7.7	10.2	5.6
		17.0	*17.2*	*17.8*	*16.8*
Arts	Arts	6.6	6.9	5.9	7.8
LOTE	Languages	2.0	1.8	1.3	2.4
Technology	Technical Studies	2.5	3.8	6.0	1.6
	Computing Studies	2.0	3.7	4.1	3.3
	Home Science	2.4	2.8	0.7	4.6
	Agriculture	0.6	0.5	0.9	0.3
		7.5	*10.6*	*11.7*	*9.8*
Health & Phys Ed	Physical Education	2.2	3.2	3.8	2.6
	Health	na	0.7	0.2	1.1
		na	*3.9*	*4.0*	*3.7*
	Other	5.8	0.3	0.2	0.3

Source: Australian Bureau of Statistics. Schools Australia (Catalogue Number 4221.0) Various years.

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Those data indicate that the pattern of subject enrolments by students in the post compulsory years have changed in small but perceptible ways over a short space of time in the early 1990s. For the period from 1990 to 1993 the following trends were evident in official enrolment statistics in the five largest states and in national survey data from two years (Ainley et al, 1994).

- There was a decrease in the proportion of enrolments in the Studies of Society and Environment Learning Area associated with a decline in enrolments in humanities such as geography, history and economics.
- There was an increase in the proportion of enrolments the Technology Learning Area evident especially in computing studies and technical studies.
- There were small increases in the Arts Learning Area.
- Even though there was no growth in overall levels of enrolments in Languages Other Than English, there was a shift from European languages to Asian languages.
- There was a small decline in physical science enrolments and a small increase in enrolments in biological sciences.
- There was a small decrease in the proportion of all enrolments in subjects that were clearly designated for tertiary entrance.

Table 5 also displays information about differences between males and females in subject-area participation. Males predominated in physical sciences, mathematics and technical studies while languages, biological sciences and home science were areas in which females were strongly represented. Subject enrolment patterns are also associated with earlier school achievement, especially in mathematics and physical sciences (Ainley et al, 1994), aspects of social background, school and cultural influences (Teese et al, 1993) and vocational interests (Kidd & Naylor, 1991).

Vocational Education in Schools

Vocational education and training in the senior secondary years has developed in a number of diverse ways, often through local initiatives that were subsequently incorporate in wider systems (Golding, 1995; Keating, 1995). The New Apprenticeship initiative could expand and broaden that provision even further. The growth of vocational education and training in schools has been so diverse that it is hard to establish national statistics to indicate its extent. The review of the Higher School Certificate in New South Wales indicates that in 1996 almost one quarter of the students in that State included vocational studies at some point in Years 11 or 12 (McGaw, 1997: 56). For Year 12 students alone the figure was 18 percent and even among students who were eligible to apply for Tertiary Entrance Rank the figure was 11 percent. Although many of these programs began in 1980s, growth has been most rapid in 1990s; from 2,958 Year 12 students in 1991 to 12,403 in 1996 (McGaw, 1996: 57).

Of the various vocational education and training courses provided in New South Wales in 1996, the largest number of enrolments (7,795 students) was in the Joint Secondary Schools TAFE program. This program incorporates a large number of courses (214 were proposed for 1997) and involves students taking instruction in TAFE institutes through arrangement between the school and an institute. Results are recorded on the Higher School Certificate and provide varying degrees of credit towards a vocational qualification. McGaw (1997: 52) observes that these courses do not usually incorporate workplace learning. Vocational Content-Endorsed Courses are the next largest set of courses (3,149 students) and are based on training modules developed for entry level in specific industries (equivalent to levels 1 and 2 of the Australian Qualifications Framework). This is intended to maximise recognition

Table 6: Percentage of schools providing school-industry programs with various levels of workplace time

Sector	Workplace Time (days) None		Not Spec		1 - 10		11 - 20		>20	
	1995	1996	1995	1996	1995	1996	1995	1996	1995	1996
All Schools	54	38	3	3	15	24	8	11	20	24
Govt Schools	42	26	4	4	19	26	10	13	25	30
Catholic Schools	62	36	2	3	10	28	7	10	20	23
Independent Schools	84	75	1	1	6	12	5	7	4	5

Source: Ainley and Fleming (1997)

Table 7: Percentage of year 11 and 12 Students Participating in School-Industry Programs in 1996

	All	Duration Short	Mid	Extended	Unspecified
All Schools	12.1	7.5	1.5	2.3	0.8
Govt Schools	14.5	8.7	1.8	2.9	1.1
Catholic Schools	10.0	6.5	1.1	1.9	0.5
Independent Schools	4.8	3.7	0.6	0.4	0.1

Source: Ainley and Fleming (1997)

in subsequent TAFE courses. McGaw (1997) outlines a number of principles for inclusion of vocational education and training in schools including: integration with other studies to the greatest extent possible, accreditation towards a recognised vocational qualification, industry links (incorporating workplace learning and assessment) and being broadly educative rather than enterprise specific.

School-Industry Programs

School-industry programs are courses for Year 11 and/or Year 12 students that require students to spend time in the workplace as part of a structured experience that is recognised as part of their formal studies. They have emerged as an important innovation in a context of historically high levels of participation in the upper secondary years; a decline in the opportunities for full-time work by young people; and a realisation that deferred entry to work may have deleterious consequences for individual development. The programs aim to provide for "learning about the world of work" as well as "learning employment-related skills". Structured learning in the workplace, that is assessed and accredited as part of school work, is the central means by which these goals are pursued.

As shown in Table 6, in 1995 some 46 percent of schools provided some form of school-industry program. By 1996 that figure had grown to 62 percent and there are indications are that this growth has continued into 1997. However, only one quarter of schools provided programs with an extended duration work placement of more than 20 days and there were differences in the extent of provision between sectors (with provision being greatest in Government schools but growth being most rapid in Catholic schools). There are also variations by location and other characteristics such as the size of the school and the social characteristics of the area in which it was located. Variations between regions suggest that it is important to have local support for the implementation of these programs. It remains an important challenge to ensure that substantial high quality work placements are provided.

Even though a substantial number of schools provide school-industry programs, it remains the activity of a minority of students. Table 7 shows the percentage of students engaged in

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school-industry programs in 1996. Most of those in these course participate in a program with just a short period of time in the workplace. Even though 12.1 percent of Year 11 and 12 students were involved in some school-industry program, only 2.3 percent of those students participated in an extended school-industry program (ie more than 20 days in the workplace). Students in these programs tended to be from Year 11 rather than Year 12 (70 percent were from Year 11) and were evenly divided between males and females.

Between 1995 and 1996 overall participation in school-industry programs grew from 7.0 to 12.1 percent of the Year 11 and 12 population but all of the growth was in programs with short duration work placements. Even though there were more schools providing extended duration programs, each program appeared to have fewer students in it.

Post-school Destinations

Table 8 records data on the transition from school for 1995-96 and for 1990-91. It is based on the Australian Bureau of Statistics Transition from Education to Work survey and for people aged 15 to 19 years: a survey that records destinations of school leavers in May of the year after leaving school.

Changes in the Destinations of School Leavers: 1991 to 1996

The data in Table 8 indicate that between 1990-91 and 1995-96 further education increased as a destination for school leavers by 2.7 percentage points. Overall the growth was greater for TAFE than for university but the trends were different for those who had completed Year 12 than for those who left school before completing Year 12. The early 1990s was a period of consolidation for university participation rates following a time of increased participation in university driven by rising school retention rates. The 1983-84 data for the Transition from Education to Work indicate that 15 percent of school leavers entered university at that time compared to 29 percent in 1995-96 (Ainley et al, 1997).

Among school leavers who did not enter any form of further education the percentage obtaining full-time work fell from 18.7 to 16.3 percent between 1990-91 and 1995-96. This decline appears to indicate a continuation of the very large drop from 35 percent of school leavers entering full-time work in 1987-88 (Ainley et al, 1997). Concomitantly, part-time work without an associated educational program, increased as a destination of school leavers from 9.1 to 11.9 percent. That increase follows a steady increase from 6.0 percent in 1984. Unemployment in May of the year after leaving school actually fell by a small amount between

Table 8: May Destinations of School Leavers Aged 15 to 19 Years by School Attainment: 1991 and 1996

Attainment	Destination									
	% in Further Education				% Not in Further Education					Popn
	Univ	TAFE	Other	All	FTW	PTW	Unempl	NLF	All	'000
1996										
Year 12	**44.2**	**21.0**	**2.7**	**67.9**	13.0	10.6	7.2	1.2	32.0	**168.9**
Not Year 12	**1.2**	**29.4**	**4.7**	**35.2**	22.0	14.2	21.1	6.6	63.9	**92.4**
All	**29.1**	**24.0**	**3.4**	**56.5**	16.3	11.9	12.2	3.2	43.6	**261.3**
1991										
Year 12	**41.7**	**19.1**	**3.8**	**64.6**	14.3	8.3	9.8	3.0	35.4	**164.7**
Not Year 12	**1.5**	**25.9**	**4.0**	**31.4**	27.8	10.7	22.1	8.0	68.6	**79.5**
All	**28.6**	**21.3**	**3.9**	**53.8**	18.7	9.1	13.8	4.6	46.2	**244.2**

Source: Australian Bureau of Statistics. Based on specially requested tables from Transition from Education to Work May 1996 (Catalogue Number 6227.0)

1991 and 1996: from 13.8 percent to 12.2 percent of school leavers.

Part-time work is not necessarily an indication of marginal employment status in all cases but there is other evidence that part-time work not linked to further study can signal a marginal hold on the labour market for people moving regularly between various part-time jobs and unemployment. Sweet (1996) notes that since the beginning of the 1990s there has been an increase in the percentage of young people who are occupied in neither full-time study nor full-time employment. He characterises these young people as on the "margins" of study and work and estimates that the percentage of 15 to 19 year-olds in this category grew from 10 percent in May 1990 to 18 percent in May 1996. Using data from the ACER longitudinal surveys Sweet showed that during 1993 and 1994 significant proportions of 18 and 19 year-olds were on the margins for a significant period of time. In most months (other than the summer period when school leavers are seeking work and full-time students work in summer jobs) the figure was constant at around 19 to 20 percent. During 1993 and 1994 more than one quarter of 18 and 19 year-olds spent nine or more months of the two year period "on the margins" of work or study. These figures were even higher for those with low levels of earlier school achievement (among the bottom achievement quartile 40 percent were on the margins for nine months or more) and those from lower socioeconomic backgrounds (among those from semiskilled and unskilled family backgrounds extended periods on the margins were twice as common as for those from professional and managerial backgrounds). Sweet also reports high rates of job mobility within marginal activities (ie. from one part-time job to another).

Differences in Destinations by School Attainment

As shown by the data in Table 8, the immediate destinations of school leavers are closely associated with the level of schooling they have attained. Table 8 shows the different destinations for those who have completed Year 12 and early school leavers (the pattern is similar for those who completed either Year 10 or Year 11). In broad terms approximately two-thirds of Year 12 leavers progress to further education compared to approximately one third of early school leavers. In addition school attainment is also related to patterns of employment and unemployment.

Further Education

It has been noted above that between 1991 and 1996 further education grew as a destination for school leavers. Although there was growth in participation in further education for both Year 12 leavers and early school leavers, the pattern of growth was different for each group.

Approximately two-thirds of the 1995 school leavers who had completed Year 12 were engaged in further education in May of 1996. Some 44 percent of these school leavers were in university, 21 percent were in a TAFE institute and three percent were in another form of provision (eg. skill centre, business college). Among Year 12 leavers there was a small increase between 1990-91 and 1995-96 in entry to both university and TAFE. The percentage of Year 12 leavers entering university rose by 3.3 percentage points between 1991 and 1996. The percentage of Year 12 leavers entering TAFE rose by a smaller amount (1.9 percentage points).

Among 1995 early school leavers a little more than one third were engaged in further education in May of 1996. This participation was predominantly in TAFE (29.4 percent) with a small number in other institutions. For this group of school leavers participation in TAFE grew between 1991 and 1996 by 3.5 percentage points from 25.9 to 29.4 percent.

Table 9: Percentage of School Leavers Aged 15 and 19 Years Engaged in Further Education by Employment Status and Attainment: 1996

Further Education	Years of School Attained	Working			Not Working
		Full-Time	Part-Time	Total	
University		2.4	46.8	49.2	50.8
TAFE	Year 12	23.4	34.1	57.7	42.2
TAFE	Year 11	42.7	14.6	58.5	41.4
TAFE	Year 10	56.5	14.5	70.2	29.8

Source: Australian Bureau of Statistics. Based on specially requested tables from Transition from Education to Work May 1996 (Catalogue Number 6227.0)

No Further Education

The data in Table 8 refer to the destinations of school leavers in two groups: those who continue with education and those who do not. In using these data to examine participation in full-time or part-time work it is important to recognise that those who combine work with further study have been included with the group for whom further education is a destination.

The one-third of Year 12 leavers from 1995 who did not pursue further education was made up 13 percent in full-time work, 11 percent in part-time work and eight percent who were unemployed or not in the labour force. The two thirds of school leavers from 1995 who did not complete Year 12 was made up of 22 percent in full-time work, 14 percent in part-time work and 28 percent who were unemployed or not in the labour force.

The general decline in full-time work, without any associated education, as a destination for school leavers between 1991 and 1996 has been noted above. Closer inspection of Table 8 shows that this decline was a little smaller for Year 12 leavers (from 14.3 to 13.0 percent) and a little larger for those who left school before Year 12 (from 27.8 to 22.0 percent).

Data in Table 8 indicate that school leavers from Year 12 in 1995 were less likely to be in part-time work without associated education (10.6 percent) than those who attained Year 10 or 11 before leaving school (14.2 percent). Moreover, the growth between 1991 and 1996 in the percentage of school leavers for whom part-time work was a destination was smaller for Year 12 completers (2.3 percentage points) than for early school leavers (3.5 percentage points).

Table 8 indicates that in May 1996 some 7.2 percent of Year 12 leavers from 1995 were unemployed. This compares with a figure of 9.8 percent in 1991. In contrast 21.1 percent of those who left before Year 12 were unemployed compared to 22.1 percent in 1991. It is evident that Year 12 leavers are less likely to be unemployed than those who leave school prior to Year 12. Lamb (1997), using data from the Australian Youth Survey, concludes that completing Year 12 is associated with lower duration of unemployment to the age of 19 years, even after allowing for the effects of differences in earlier school achievement and social background.

Work Combined with Education

A significant number of school leavers engaged in education combined study with work. Relevant data for those who left school in 1995 are recorded in Table 9.

Just under half (48.9 percent) of those attending university were employed: mostly on a part -time basis (46.5 percent) but a few (2.4 percent) were employed on a full-time basis.

Among those attending a TAFE institute over half (57.7 percent) were employed with one third (33.2 percent) being employed full-time and one quarter (24.4 percent) being employed part-time. For students in TAFE the extent to which education was combined with work was related to school attainment. Whereas 58

Table 10: Destinations of 1995 School Leavers Aged 15 to 19 Years in May 1996 by School Attainment and Gender

Attainment	Destination									Popn
	% in Further Education				% Not in Further Education					
	Univ	TAFE	Other	All	FTW	PTW	Unempl	NLF	All	000
Females										
Year 12	46.9	18.1	4.1	69.1	12.8	11.7	[illegible]	1.1	30.9	88.5
Year 11	0.0	31.5	3.1	34.6	31.5	20.2	13.8	0.0	65.4	13.6
Year 10	0.0	20.6	5.9	26.5	17.6	27.6	22.4	6.0	73.5	17.0
All*	33.1	20.3	4.5	57.9	16.2	14.9	8.3	2.6	42.0	126.3
Males										
Year 12	41.3	24.3	1.1	66.7	13.7	9.2	9.1	1.4	33.4	80.4
Year 11	0.0	29.5	1.4	30.9	27.3	10.8	29.5	1.4	69.0	13.8
Year 10	2.7	32.4	5.1	40.2	24.0	9.5	18.6	7.8	60.0	29.8
All	25.4	27.6	2.3	55.3	17.3	9.0	14.9	3.0	44.8	135.1

* All includes a number of school leavers for whom years completed was not known

Source: Australian Bureau of Statistics. Based on specially requested tables from Transition from Education to Work May 1996 (Catalogue Number 6227.0)

percent of Year 11 and 12 leavers who were enrolled in TAFE combined work and study, among Year 10 leavers in TAFE the figure was 70 percent. For a majority of Year 12 leavers in TAFE work was part-time but for a large majority of Year 11 and 10 leavers in TAFE their work was described as full-time.

Differences in the Destinations of Males and Females

There were differences in the educational and employment destinations of male and female school leavers. Relevant data for the cohort of leavers from 1995 are shown in Table 10.

Participation in Further Education

Table 10 indicates that females from the graduating class of 1995 were a little more likely than males from the same year to participate in some form of education on leaving school. This difference was especially evident in terms of university entrance by those who had completed Year 12. Some 46.9 percent of female Year 12 leavers from 1995 entered university in 1996 compared to 41.3 percent of males. This pattern represents a change from that observed for Year 12 leavers from 1990. Among the graduating class of 1990 some 43.0 percent of male Year 12 leavers from 1990 entered university compared to 40.6 percent of female Year 12 leavers. In other words, over the five year period, university grew as a destination for females with Year 12 but declined as a destination for males with Year 12.

Among those leaving school in 1995 participation in TAFE was stronger among males (27.6 percent) than females (20.3 percent): a gap that widened over the period from 1990-91 to 1995-96. However, females were more likely to participate in another (non-TAFE) form of further education than males so that the difference in total vocational education and training is not as great as might appear at first.

For early school leavers the differences between males and females depended on whether they had completed Year 10 or Year 11. Among those who had completed Year 11 there was only a small difference (slightly in favour of females) in the percentage who were engaged in education. Among those who had completed Year 10 only rather more males than females were engaged in education (32 percent compared to 21 percent): presumably a reflection of the apprenticeship system.

No Further Education

Table 10 indicates that male school leavers from 1995 who did not pursue further education were both more likely to have a full-time job, and also more likely to be unemployed, than females. In contrast females were more likely than males to have a part-time job without that job being linked to further study. However there were some differences associated with school attainment indicated in Table 10.

Among Year 12 leavers not engaged in further education males were a little more likely to have a full-time job than females (13.7 compared to 12.6 percent) but less likely to have a part-time job (9.2 compared to 11.7 percent). A somewhat larger percentage of males than females were unemployed (9.1 compared to 5.5 percent).

For Year 11 leavers not engaged in education a greater percentage of females had a full-time or part-time job and a greater percentage of males were unemployed (30 percent compared to 14 percent).

For Year 10 leavers not engaged in education the differences were smaller but a greater percentage of males had a full-time job and a greater percentage of females had a part-time job or were unemployed.

Combining Work and Study

Table 9 indicates that combining work with study in higher education was a little more common for females (51.3 percent) than males (45.9 percent). For all attainment levels, but especially among Year 10 and 11 leavers, a greater percentage of males than females worked while studying at TAFE and this difference was greater for Year 10 leavers than for Year 12 leavers. Overall 67 percent of male school leavers entering TAFE were also working, compared to 44 percent of females. This arises mainly because of differences in the extent to which full-time work, rather than part-time work, is combined with study in TAFE.

Summary

The percentage of young people remaining to the final year of secondary school has fallen somewhat from the high point of 1992, but remains higher than in 1990 or any year prior to that. The decline in school completion has been uneven across school systems and social groups. It has impacted more on males from low socioeconomic backgrounds than other groups. Secondary school completion rates continue to be higher among those with higher levels of earlier school achievement, females, those from enriched social backgrounds and those of non-English speaking background. There are also differences between states that appear to reflect curriculum provision.

During the 1990s participation in senior school programs that link schools with vocational education and the world of work has grown as those programs have become more firmly established in school systems. Despite this the destinations of school leavers continue to emphasise further education rather than work and there appears to be both a decline in full time work, and a growth in marginal part-time work (without a link to education) as destinations for school leavers.

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Endnote

[1] Apparent retention rates are calculated as a percentage of the total number of full-time students in the target year to the number from that cohort in their first year of secondary school. At a national level the figures can be affected by repeating students and migration. At lower levels of disaggregation additional factors such as transfers between sectors and interstate migration can influence the rates.

Young People's Participation in and Outcomes from Vocational Education

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Over the past two decades patterns of participation by young people in work, education and training have changed dramatically:

- young people used to be either in full-time work or full-time education or training, with the only real exception being apprenticeships (which involved structured training through a combination of training on-and-off the job);
- nowadays there are many different pathways with the norm now being full or part-time study, often combined with part-time work, and an expansion of structured training through the introduction of traineeships since the mid 1980's (as a result of the Kirby report).

Despite the focus on growth funds to increase the participation of young people (ie Finn Targets and growth funds in ANTA agreement - over the 1990s the percentage of 15-19 year olds in VET has fallen from around 30 percent of the total student number to around 20 percent. The growth in vocational education has occurred, proportionately, in older age groups.

Even though the total number of 15-19 year olds studying in VET fell from 274,500 to 261,000 between 1990 and 1996, the proportion of 15-19 year olds in VET remained steady.

- This means that the fall is a demographic issue due to a reduction in the numbers of 15-19 year olds in Australia over the period of 9 percent. The 15-19 year age cohort accounted for over 12 percent of the 15-64 population in 1990 but its representation had fallen to 10.5 percent of the working age population by 1996.
- Its causes are not a fall away in the demand for VET by young people as is commonly believed.

The composition of VET participation between 1990 and 1996 by 15-19 year olds has changed largely as a result of occupational shifts that have occurred in the labour market.

Although the focus on apprenticeships and traineeships is important, participation by young people in other forms of VET is just as important and is growing.

Key apprenticeship / traineeship developments between 1990 and 1996 include a rapid decline in apprenticeship/traineeship numbers between 1990 and 1995 - greater than the fall in the representation of 15-19 year olds in the working age population. What is not commonly understood is that there has been a dramatic recovery in the total number of those in a training agreement because of the expansion of traineeships, with apprenticeship numbers continuing to decline.

The impact of recent initiatives in the VET sector have yet to be felt. These include the opening up of the market to private providers, national recognition of the skills and qualifications of all new apprentices and trainees and the New Apprentices Scheme that aims to expand the numbers of commencing apprenticeships and traineeships and the range of industries available to apprentices. The new initiatives encourage vocational education and training to be undertaken in schools and there is every indication that there will be a resurgence of interest in this vocational education pathway for 15-19 year olds.

Young People's Participation in and Outcomes from Vocational Education

Provision of Vocational Education

Changes that have occurred in the participation and outcomes of 15 to 19 years olds in the vocational education and training sector since 1990 need to be considered in the context of a number of major funding and policy changes that have impacted on the sector since the late 1980s.

Funding for pre-vocational courses was dropped at the end of the 1980s because of the high cost of providing industrial experience. The Training Guarantee Act was introduced in 1990 and the off-the-job training subsidy component of CRAFT was dropped, except to group schemes (where it continued to 1994) because of the view that industry largely accepted its training responsibilities and the major beneficiaries of the off-the-job training subsidy had been large companies. Traineeships (introduced in 1985) were extended to all age groups in 1992 and in 1994 the 'Working Nation' strategy included National Training Wage traineeships that allowed some traineeships to be all-on-the-job and encouraged the penetration of traineeships into new areas of the labour market. Traineeships were accepted as a mainstream training system in 1994 and were funded in the same way as apprenticeships for the off-the-job component of traineeship training.

The 1992 ANTA Agreement introduced substantial changes in inter-government arrangements for the governance and management of TAFE and training based on a national co-operative system. To overcome a perceived funding imbalance between TAFE and schools and universities the Commonwealth injected an additional $70m of growth funds in each year from 1993 to the VET sector, on top of an additional $100m of funding in 1992. By 1995 the Commonwealth contributed 28 percent of recurrent funding to the sector compared with 17 percent in 1991, and continued to fund 64 percent of the capital program.

To alleviate the effect of the early 1990's recession on training special counter-cyclical policies were introduced. These included initiatives involving additional wage subsidies and intensive training arrangements designed to increase the level of apprenticeship/traineeship intake and assist out-of-trade apprentices and trainees.

In 1995 the Australian Vocational Training System was introduced building on apprenticeships and traineeships and introducing changes to curriculum and assessment, conversion of courses to a competency base and recognition of prior learning.

Further changes to the vocational education sector in the pipeline include the opening up of the market to private providers, national recognition of the skills and qualifications of all new apprentices and trainees and the New Apprenticeships Scheme that aims to expand the numbers of apprenticeships and traineeships and the range of industries available to apprentices. Industries such as technology and communications, tourism and hospitality will be targeted in addition to the traditional trades such as manufacturing, engineering and construction[1]. The new initiatives encourage vocational education and training to be undertaken in schools and there is every indication that there will be a resurgence of interest in this vocational education pathway for 15-19 year olds.

Profile of 15-19 year olds in the Vocational Education Sector between 1990 and 1996

Participation of 15-19 year olds

The recent funding increases to the vocational education and training (VET) sector have resulted in a substantial increase in course enrolments in vocational education. Course enrolments in VET grew by almost 17 percent between 1994 and 1995, and by a further 10 percent between 1995 and 1996. The growth in the VET sector has not occurred in the 15-19 year old age cohort but in older age groups. In 1990 the 15-19 year old cohort accounted for 30 percent of all clients enrolled in vocational courses. This percentage had declined to about 22 percent in 1995, and declined further to around 20 percent of clients in 1996.

Over the period 1990 to 1996, participation rates in vocational education for 15-19 year olds have remained largely unchanged at around 20 percent (see Table 1). Although male participation rates remained unchanged over the period at around 23 percent there was a small rise in the female participation rate from 16 percent in 1990 to 18 percent in 1996. Within the age group, there has been a decline in the participation rate of 15 to 16 year olds since 1990, with a compensating rise in the participation rate of 18 and 19 year olds.

Despite largely unchanged participation rates of the age group as a whole, there was a decline in the absolute number of 15 to 19 year olds in vocational training from 274,500 in 1990 to 255,900 in 1995, rising to 260,900 in 1996. This decline can be attributed to demographic factors as there was almost a ten percent decline in the number of 15-19 year olds in the Australian population between 1990 and 1995, followed by a one percent rise in the age cohort between 1995 and 1996.

While part-time enrolment continues to be the preferred mode of attendance for the 15 to 19 year age cohort, the percentage of students undertaking part-time study has declined from 84 percent in 1990 to 78 percent in 1996 (and 1995). Although the proportion undertaking full time study was relatively constant across ages in the cohort in 1990, there are relatively more students studying full time at older ages in the cohort in 1996. Amongst 18 year olds, 35 percent of females and 25 percent of males were undertaking a full time study load in 1996, compared with 27 percent of females and 15 percent of males in 1990.

Notwithstanding the relatively constant participation rates between 1990 and 1996 substantial changes have occurred in terms of the composition and type of vocational courses being undertaken by 15 to 19 year olds. In 1996, over 80 percent of all course enrolments for 15 to 19 year olds were commencing enrolments (87 percent of female enrolments and 79 percent of male enrolments) while only 72 percent of all clients in 1990 were a commencing enrolment. The high percentage of

Table 1: Participation rates of 15-19 year olds in vocational education

	1990			1995			1996		
Age	Males	Females	Persons	Males	Females	Persons	Males	Females	Persons
15-16 years	13.5*	13.2*	13.3*	12.0	10.2	11.1	12.8	10.6	11.8
17 years	25.2	15.4	20.4	24.3	18.2	21.4	24.5	18.6	21.7
18 years	32.6	19.7	26.3	33.4	25.3	29.5	32.9	25.1	29.4
19 years	29.7	16.4	23.2	32.2	22.6	27.5	31.9	22.0	27.2
15-19 years	23.3*	15.7*	19.6*	23.2	17.4	20.2	23.3	17.4	20.4

* includes under 15

Source: Derived from Selected TAFE Statistics, 1990 and NCVR data, AVETMISS collection 1995 & 1996, ABS demographic data

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Table 2: Cumulative frequency of course-curriculum hours, by age, 1996

1996 Course curriculum hours: quartiles of course enrolments, by age	25%	50%	75%
age 15	72	305	590
age 16	173	392	720
age 17	200	477	864
age 18	269	678	960
age 19	296	760	960

Source: NCVR data, AVETMISS collection 1996

commencing enrolments in 1996 can be attributed to students undertaking shorter courses and enrolling in more than one course in a year.

The profile of vocational course enrolments differs across ages with 15 and 16 year olds in 1996 undertaking courses with substantially less course-curriculum hours in the vocational sector than 17, 18 and 19 year olds (see Table 2). Only about a quarter of 15 year old course enrolments were for courses with over 590 course-curriculum hours, and a quarter of course enrolments in this age group were for short courses with less than 72 course-curriculum hours. Over 50 percent of 18 and 19 year old course enrolments were for courses with more than 678 and 760 course-curriculum hours, respectively. The course-curriculum hours profile across ages was largely unchanged between 1995 and 1996.

The distribution of highest school level completed, by vocational students aged 15 to 19 in 1996, is presented in Table 3. Of the 15 to 19 year old age cohort undertaking vocational courses in 1996 over 40 percent had completed year 12. Amongst the 17 year old students, over 20 percent had completed year 12, with 58 percent and 66 percent of 18 and 19 year olds, respectively, having completed Year 12.

By comparison, a third of students commencing a vocational education course in 1990 (who indicated they had completed secondary school and provided information on their highest school level completed[1]) had completed Year 12. Less than 9 percent of 17 year old students and about 37 percent of 18 and 19 year olds had completed Year 12. Albeit comparisons between 1996 and 1990 are problematic because of the poor reporting of "highest school level completed" in 1990, it can be concluded that 15-19 year olds undertaking vocational education in 1996 have completed more years of schooling prior to commencing vocational education than was the case in 1990.

The courses undertaken by the 15 to 19 year old cohort have altered during the 1990s (see Table 4) reflecting changes that have occurred in the labour market over the 1990s. In 1990, about a third of vocational students were enrolled in the 'recognised trades: complete'

Table 3: Distribution of highest school level completed, by age, 1996

Highest School level	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
age 15	0.9	2.5	33.9	55.4	6.7	0.7
age 16	0.3	0.9	10.5	69.3	15.7	3.3
age 17	0.3	0.7	6.1	39.3	33.3	20.3
age 18	0.2	0.3	3.2	20.3	17.6	58.3
age 19	0.3	0.3	2.5	16.0	15.1	65.8
age 15-19	0.3	0.6	6.3	32.5	19.3	41.0

Source: NCVR data, AVETMISS collection 1996

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Table 4: Stream of study, 15 - 19 year olds (percent)

Stream	1990	1991	1994
Basic employment skills	10.3	11.2	10.4
Educational preparation	9.4	9.0	8.7
Operatives: initial	15.4	18.4	17.2
Recognised trades: part exempt	2.6	5.9	6.2
Recognised trades: complete	32.4	18.9	17.3
Other skills: part exempt	3.3	6.5	9.5
Other skills: complete	8.0	8.4	11.0
Trade technician/supervisory	6.6	6.1	4.8
Para-professional technician	1.9	1.9	1.8
Para-professional higher technician	6.4	10.1	9.8
Professional	0.5	0.6	1.1
Operatives: post initial	1.0	1.1	1.1
Trades/other skills: post initial	2.2	1.6	1.3
Trades tech/super: post initial	0.2	0.3	0.3
Para-prof tech: post initial	0.0	0.0	0.1
Para-prof high tech: post initial	0.1	0.0	0.0
Total	100.0	100.0	100.0

Source: Selected TAFE Statistics, 1990 and NCVER data, AVETMISS collection 1995 & 1996

stream-of-study, 15 percent were enrolled in 'operatives: initial' courses and 10 percent and 9 percent were enrolled in 'basic employment skills' and 'educational preparation' courses, respectively. By 1995 less than a fifth of vocational students were undertaking the 'recognised trades: complete' stream-of-study, and the proportion undertaking this stream-of-study in 1996 had declined further to 17 percent. By 1995 (and 1996), the same proportion of students were enrolled in the 'operatives: initial' stream-of-study as in the 'recognised trades: complete' stream-of-study. Course enrolments have increased relatively in the 'Other skills' and 'Para-professional higher technician' course streams. The 'basic employment skills' stream continues to attract over 10 percent of course enrolments.

The field-of-study chosen by the 15-19 year old cohort in 1996 varied markedly across genders (see Table 5). 'Engineering, surveying' was the most popular field-of-study for males between 16 and 19 years old, while 'Business administration, economics' and 'Services, hospitality, transportation' were popular fields-of- study for females, with 'Business administration, economics' being the most popular for females over 17. 'TAFE multi-field education' was a popular choice of field-of-study for both males and females of all ages across the age cohort.

'Education; Law, legal studies'; and 'Veterinary science, animal care' were not popular fields-of-study for either males or females in the 15 to 19 year age cohort.

Outcomes of 15-19 year olds

Module load pass rates and module load completion rates are measures that provide an indication of the likelihood of a student (or group of students)

Table 5: Field-of-study by age and gender, 1996

Age	Sex	01	02	03	04	05	06	07	08	09	10	11	12
15	F	3.9	1.0	10.0	24.1	0.3	2.3	7.6	0.0	2.3	0.3	25.8	22.5
	M	8.4	7.2	4.6	9.6	0.4	25.9	2.3	0.0	2.4	0.2	11.7	27.4
	All	6.4	4.4	7.0	16.3	0.3	15.2	4.7	0.0	2.3	0.2	18.2	25.2
16	F	3.4	0.5	8.4	27.1	0.2	2.4	10.2	0.0	2.3	0.6	27.3	17.7
	M	8.5	11.3	4.0	9.4	0.3	30.8	1.9	0.0	2.2	0.3	11.3	20.3
	All	6.2	6.6	5.9	17.2	0.3	18.3	5.5	0.0	2.2	0.3	18.4	19.1
17	F	2.8	0.7	6.7	27.1	0.3	2.1	11.4	0.3	0.3	0.5	25.6	19.5
	M	7.1	12.8	3.4	8.5	0.3	31.7	2.3	0.2	3.0	0.0	11.6	19.0
	All	5.3	7.7	4.8	16.4	0.3	19.1	6.1	0.3	3.0	0.2	17.6	19.1
18	F	2.5	1.0	6.7	30.3	0.3	2.2	12.8	0.9	3.1	0.5	22.7	16.9
	M	5.7	13.7	3.3	12.2	0.3	31.4	2.6	0.4	3.6	0.1	11.3	15.3
	All	4.3	8.2	4.7	20.2	0.3	18.8	6.9	0.6	3.4	0.3	16.4	15.9
19	F	2.7	1.3	8.2	31.4	0.6	2.4	13.4	0.8	3.2	0.5	19.9	15.4
	M	5.3	14.5	3.5	13.1	0.3	33.6	2.7	0.5	3.3	0.0	10.1	13.1
	All	4.2	9.1	5.4	20.6	0.4	20.9	7.0	0.6	3.3	0.2	14.2	13.9
15-19		5.0	7.8	5.2	18.7	0.3	19.1	6.4	0.4	3.0	0.3	16.5	17.2

Field of study codes and descriptions: 01 Land & marine resources, animal husbandry; 02 Architecture, Building; 03 Art, humanities & social sciences; 04 Business administration, economics; 05 Education; 06 Engineering, surveying; 07 Health, community services; 08 Law, legal studies; 09 Science; 10 Veterinary science, animal care; 11 Services, hospitality, transportation; 12 TAFE Multi-field education.
Source: NCVER data, AVETMISS collection 1995 & 1996

successfully completing a year of study. National module load pass and completion rates for vocational education courses in 1996, by age, are provided in Table 6. The module load pass and completion rates suggest that there was less likelihood of a 15 or 16 year old successfully passing or completing a module load in vocational education in 1996 than an older person. There was no discernible difference in either module load pass rates or module load completion rates in 1996 for 17 to 19 year olds compared with vocational students aged 20 years and over .

The results of the first national TAFE Graduate Destination Survey[1], conducted during 1995 by the ABS, provides information on qualification and employment outcomes of vocational graduates.

Of the 15-19 year graduates surveyed (on 31 May 1995), 46 percent had completed a non-trade Certificate, 31 percent had completed a trade Certificate, 16 percent had completed a non-trade Advanced Certificate while 4 percent, 3 percent and 1 percent had completed an Associate Diploma, post-trade Advanced Certificate and Diploma, respectively. Older graduates, as a group, undertook proportionately fewer trade Certificates (19 percent) and more Associate Diplomas (21 percent).

The results of the TAFE Graduate Destination Survey suggest that vocational education is providing a successful pathway to employment for 15-19 year olds. By 31 May 1995, almost three-quarters (74 percent) of the 15-19 year old graduates who completed their course in 1994 were employed, with half of the graduates employed full-time. A further 16 percent were looking for work and 10 percent were not in the labour force. Of those employed full-time, 78 percent were employed in their first job.

About half of all 15-19 year old employed graduates already had a job at the time of finishing their course and 19 percent of employed graduates took less than a month to find a job after completing their course. A further 17 percent took between one and three months to find a job, while another 11 percent took over 3 months to secure employment.

Apprentices and Trainees

A training agreement or contract-of-training is a formal contract between an employer and a trainee whereby the employer agrees to teach the trainee a range of skills and in return the trainee agrees to work for a set length of time at a training wage. Prior to the introduction of the New Apprenticeship scheme agreed to by Ministers in 1996, apprentices typically studied AQF level 3 and level 4 courses of three to four years duration while trainees took part in AQF level 1 and 2 courses that run for a year to 18 months.

Participation of 15-19 year olds

As at 30 June 1990 there were 171,990 apprentices and trainees in training nationally. The number of

Table 6: Module outcomes for vocational programs by age, 1996

1996	Module load pass rate	Module load completion rate
age 15	78.9	73.6
age 16	81.3	76.0
age 17	82.8	77.6
age 18	82.7	77.0
age 19	82.7	77.9
age 15-19	82.4	77.2
age 20 and over	82.9	78.1
Total	82.7	77.7

Source: Derived from NCVER data, AVETMISS collection 1996

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Table 7: Apprentice and trainee commencements by age

Commencements	1989-90	1995	1996
Apprentices			
15 - 19 years	49508*	29651	27916
20 years and over	6752*	10507	9921
All ages	56260	40158	37837
Trainees			
15 - 19 years	13247	11369	19253
20 years and over	0	10569	28157
All ages	13247	21938	47410
Total	69507	63501	86530

* Derived figure

Source: "Australian Traineeship System: Trainee Commencements" 1985-86 to 1992-93, DEET publication (22 December 1993); Apprenticeship Statistics 1984-85 to 1993-94, NCVER, 1995; NCVER COT data collection, June 1997

apprentices and trainees fell to 135,782 by 30 June 1995, but then rose to 158,048 at 30 June 1996.

Details about the number of apprentice and trainee commencements between 1990 and 1996 are provided in Table 7. Of the apprentices that commenced training during 1989-90, 88 percent of those that disclosed their age were in the 15-19 age cohort . All trainees in 1990 were aged between 15 and 19 because traineeships were only available to this age group until 1992. By 1995, only two-thirds of the registered commencements of apprentices and trainees were aged 15 to 19. In 1996, the proportion of 15-19 year olds had declined further to account for 55 percent of registered commencements of apprentices and trainees.

Males accounted for 81 percent of apprentice commencements in the age cohort in 1990. The proportion of females commencing a training agreement had risen to a quarter of all commencements by 1995 and by 1996 females accounted for 30 percent of all training agreement commencements in the 15 to 19 year age group. Across all age groups, 32 percent of all training agreement commencements in 1996 were female.

During the period 1990 to 1996 the population of the 15-19 age cohort declined by about 9 percent whereas the number of 15-19 year olds commencing a contract of training declined by roughly 24 percent over the entire period. Nonetheless, the attraction of a vocational education to young people has not diminished over the period because the percentage of the 15-19 year age cohort undertaking vocational education and training has remained relatively unchanged since 1990. Rather, a number of 15-19 year olds are opting for alternative vocational pathways to a traditional apprenticeship. This proposition is borne out by recent changes that have occurred in the relative proportion of apprentices and trainees. Between 1995 and 1996 there was a 14 percent increase in the number of 15-19 year olds undertaking an indenture - however, the number undertaking an apprenticeship declined by 6 percent over the year (and a decline occurred across all ages in the 15-19 year age cohort).

The relative representation of 15-19 year olds in total indenture commencements has dropped since 1990. In part this is not unexpected given the relative decline of 15-19 year olds as a proportion of the working age population over the period 1990 to 1996. In 1990, 15-19 year olds accounted for over 12 percent of the 15-64 age population but by 1996 (and 1995) this age cohort only accounted for 10.5 percent of the working age population. In addition traineeships were only available to the 15 to 19 year age group in 1990. Also 15 to 19 year olds are now tending to complete a higher school level prior to commencing vocational education studies than the school level completed in 1990.

The distribution of the highest school level completed by apprentices and

Table 8: Apprenticeship commencements, by highest school level completed, by age, 1996

Highest school level	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Age 15	0.0	4.4	38.6	55.3	1.5	0.2
Age 16	0.0	0.7	10.8	78.7	9.0	0.7
Age 17	0.0	0.5	4.4	48.2	33.1	13.9
Age 18	0.0	0.2	2.1	19.6	22.0	56.1
Age 19	0.0	0.1	2.1	15.4	16.2	66.2
Age 15-19	0.0	0.5	5.3	37.5	20.9	35.8
All ages	0.0	0.5	4.9	34.6	19.8	40.2
20 and over	0.0	0.6	3.8	26.3	16.7	52.6

Source: NCVER data, Contracts of Training (COT)

Table 9: Trainee commencements, by highest school level completed, by age, 1996

Highest school level	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Age 15	0.4	8.3	39.1	51.8	0.4	0.0
Age 16	0.1	2.3	17.0	73.3	6.6	0.7
Age 17	0.1	1.0	7.7	50.1	20.7	20.5
Age 18	0.0	0.4	3.6	23.0	14.4	58.5
Age 19	0.0	0.4	3.1	18.1	14.0	64.5
Age 15-19	0.1	0.8	6.0	32.0	14.6	46.5
All ages	0.2	1.5	6.3	30.5	14.6	46.9
20 and over	0.3	2.0	6.5	29.4	14.6	47.2

Source: NCVER data, Contracts of Training (COT)

trainees commencing an indenture in 1996 are presented in Tables 8 and 9, respectively. Year 12 had been completed by over 56 percent of all apprentices and trainees aged 18 at commencement and by about 65 percent of 19 year olds. This compares with about 47 percent of commencing trainees and 53 percent of commencing apprentices aged 20 and over having completed Year 12.

Apprentices and Trainees and the Labour Market

There have been substantial changes in the occupational choice of indentured 15-19 year olds since 1990 which has occurred largely because of shifts in occupational demand in the labour market. Although there was a decline in the ratio of apprentices in training to tradespersons in the 1980s up to about 1986, the decline had been arrested by the late 1980s. Between 1986 and 1994 a constant relationship between the number of apprentices in training and the number of tradespersons employed across all trades was observed even though there was a relative decline in demand for trade skills over the period (Dandie, 1996). For every ten tradespersons there was just over one apprentice in training and apprenticeship numbers in service industries grew while apprenticeships contracted in manufacturing industries from 1986 to 1994 (Stromback, 1996).

The distributions of contracts-of-training commencements by ASCO occupational grouping for 1989-90, 1995 and 1996 for the 15-19 year age cohort are shown in Table 10. In 1990 the 'building' and 'vehicle' trade groups accounted for 20 percent and 15 percent of

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Table 10: Contracts of training commencements by 15 - 19 year olds by ASCO groups (percent)

	1990	1995	1996
Managers and Administrators	0.0	0.8	1.2
Professionals	0.0	0.0	0.2
Para-Professionals	0.0	1.0	1.4
MetalFitt/Mach	8.1	5.7	5.5
Other/Metal	9.6	6.1	4.8
Electrical	12.9	8.8	6.9
Building	20.4	14.0	10.4
Printing	3.2	1.5	0.9
Vehicle	14.9	12.9	10.6
Food	10.4	10.3	9.1
Horticulture	3.4	1.8	1.4
Miscellaneous	17.0	10.6	8.6
Hairdressing	*7.5*	*6.0*	*5.2*
Other	*9.4*	*4.5*	*3.5*
Clerks	*0.0*	*11.1*	*13.8*
Salespersons & Personal Service Workers	0.0	11.0	17.1
Plant/Machine Operators & Drivers	0.0	0.7	0.9
Labourers and Related Workers	0.0	3.8	7.2
Total	100.0	100.0	100.0

1990 data is for apprentices only. Source: NCVER data, COT collection

apprenticeship commencements respectively. The 'building' trade declined to 14 percent of all commencements in 1995, and further declined to 10 percent of commencements in 1996.

The "vehicle" trade group dropped to 13 percent of all commencements in 1995, and further declined to 10 percent of commencements in 1996.

The development of traineeships has expanded the occupations available through contracts of training. By 1995, 11 percent of 15-19 year olds commencing a contract were in the 'clerks' and 'salespersons and personal service workers' occupational groups. These occupational groups expanded further to account for 14 percent and 17 percent of commencements in the 15-19 year age cohort in 1996.

There is a difference in occupations apprentices are being trained in across ages in the 15-19 year age cohort. The distributions of apprenticeship and traineeship commencements of 15 to 19 year olds in 1996 across ASCO groups are shown in Tables 11 and 12.

Over half of 15 year old apprentices are training in the 'hairdressing' and 'miscellaneous' occupational groups. The 'vehicle', 'building', 'miscellaneous' and 'food' trades are the dominant occupations training 16 to 19 year old apprentices.

Trainees were training predominantly in the "salespersons and personal service workers", "clerks" and "labourers and related workers' occupational groups across all ages in the 15 to 19 age cohort in 1996.

The industry groupings of apprentice and trainee commencements aged 15 to 19 in 1996 are shown in Tables 13 and 14.

This data is indicative only as not all States report ANZSIC industry codes for registered apprentices and trainees.

Apprentices of all ages in the 15-19 year cohort in 1996 were represented predominantly in the "manufacturing", "construction", "retail trade" (particularly 15 year olds) and "property and business service' industry groupings.

Trainees were training predominantly in the 'retail trade' (particularly 15 year olds), 'government, administration and defence' and 'property and business services' sectors in 1996.

Table 11: Apprenticeship commencements by age by ASCO group, 1996 (percent)

	Age 15	Age 16-17	Age 18-19
Managers and Administrators	0.5	0.3	0.4
Professionals	0.0	0.0	0.0
Para-Professionals	1.1	0.4	0.5
MetalFitt/Mach	4.7	9.2	9.4
Other/Metal	7.0	8.8	7.7
Electrical	4.7	9.4	14.5
Building	19.1	17.8	17.7
Printing	0.4	1.0	2.1
Vehicle	15.6	19.7	17.1
Food	17.4	14.8	14.9
Horticulture	0.4	1.7	2.6
Miscellaneous	28.6	16.5	12.7
Hairdressing	*21.0*	*10.2*	*7.2*
Other	*7.6*	*6.3*	*5.5*
Clerks	0.0	0.0	0.0
Salespersons & Personal Service Workers	0.1	0.4	0.5
Plant/Machine Operators & Drivers	0.0	0.0	0.0
Labourers and Related Workers	0.0	0.0	0.0
Total	100.0	100.0	100.0

Source: NCVER data, COT collection

Table 12: Traineeship commencements by age by ASCO group, 1996 (percent)

	Age 15	Age 16-17	Age 18-19
Managers and Administrators	0.0	0.7	0.6
Professionals	0.6	0.4	0.4
Para-Professionals	0.9	2.6	3.0
Clerks	24.0	30.6	36.3
Salespersons & Personal Service Workers	43.8	42.4	41.4
Plant/Machine Operators & Drivers	1.9	2.2	2.1
Labourers and Related Workers	28.7	21.0	16.2
Other	0.0	0.1	0.0
Total	100.0	100.0	100.0

Source: NCVER data, COT collection

Table 13: Apprenticeship commencements by age by ANZSIC industry group, 1996 (percent)

	Age 15	Age 16-17	Age 18-19
Personal & Other Services	26.3	11.0	8.2
Cultural & Recreational Services	0.3	0.6	0.7
Health & Community Services	0.6	0.5	0.5
Education	0.0	0.1	0.3
Govt. Administration & Defence	0.3	1.0	1.4
Property & Business Services	6.6	15.6	16.0
Finance & Insurance	0.0	0.0	0.0
Communication Services	0.0	0.0	0.1
Transportation & Storage	0.3	1.6	1.8
Accommodation, Cafes & Restaurants	4.4	4.4	5.5
Retail Trade	26.6	20.4	18.1
Wholesale Trade	2.5	0.6	1.0
Construction	14.7	13.4	14.1
Electricity, Gas & Water Supply	0.6	0.9	1.4
Manufacturing	15.6	25.9	26.7
Mining	0.6	2.9	2.3
Agriculture, Forestry & Fishing	0.6	1.0	1.8
Total	100.0	100.0	100.0

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Source: NCVER data, COT collection

Table 14: Traineeship commencements by age by ANZSIC industry group, 1996 (percent)

	Age 15	Age 16-17	Age 18-19
Personal & Other Services	1.4	3.1	3.1
Cultural & Recreational Services	5.4	2.4	2.7
Health & Community Services	12.2	3.1	3.7
Education	0.0	1.3	2.1
Govt. Administration & Defence	2.7	13.4	23.4
Property & Business Services	14.9	19.0	13.1
Finance & Insurance	0.0	1.7	1.7
Communication Services	0.0	0.4	0.3
Transportation & Storage	1.4	1.7	2.3
Accommodation, Cafes & Restaurants	1.4	2.4	2.7
Retail Trade	29.7	22.6	16.8
Wholesale Trade	4.1	3.7	3.1
Construction	1.4	4.1	4.4
Electricity, Gas & Water Supply	0.0	0.3	0.3
Manufacturing	13.5	14.7	17.6
Mining	0.0	0.6	0.7
Agriculture, Forestry & Fishing	12.2	5.6	2.4
Total	100.0	100.0	100.0

Source: NCVER data, COT collection

Forecast sectoral employment growth

In order to assess if apprentices and trainees are training in areas of likely employment growth in the economy it is useful to consider the relative share of employment across ANZSIC industry groups experienced during 1996 and the forecast changes to the employment distribution to 2000-01.

The 1995-96 relative share of employment across ANZSIC industry groups, the forecast employment share across ANZSIC industry groups in 2000-01, and the 1995 and 1996 distribution of reported apprentices and trainees commencements by ANZSIC industry groups for age cohorts 15-19 years and 20 years and over are shown in Table 15.

Forecasts of employment shares of ANZSIC industry groups to 2000-01 were obtained using the Murphy MM2 econometric model software and August 1997 forecasting assumptions. The Murphy MM2 model is an econometric model of the Australian economy integrated with the 18 ANZSIC industry divisions.

The forecasts suggest that employment in the 'manufacturing', 'retail trade', 'health and community services', and 'government administration and defence' sectors will decline relative to other industry sectors. Industry sectors that are forecast to increase their employment share relative to other sectors include 'property and business services', 'construction', 'accommodation, cafes and restaurants', and 'finance and insurance'.

A high proportion of apprentices and trainees in the 15 to 19 year age cohort (indicative figures suggest over 40 percent) are training in the 'manufacturing' and 'retail trade' sectors. Employment share forecasts suggest that both these sectors are likely to experience relative decline in their share of employment to 2000-01. Sectors forecast to expand that currently have an under-representation of apprentices and trainees in the 15 to 19 year age cohort include 'wholesale trade', 'accommodation, cafes and restaurants' and 'finance and insurance'. The introduction of New Apprenticeships and User Choice in 1998 should facilitate the expansion of apprentice training into new industries. The Federal Minister for Schools, Vocational Education and Training recently unveiled new

Table 15: Contracts of training commencements, employment shares and employment forecasts by ANZSIC industry groups*.

ANZSIC Industry group	Employment share 1995/96	Employment share forecast* 2000/01	Ages 15-19 1995	Ages 20 and over 1995	Ages 15-19 1996	Ages 20 and over 1996
Agriculture, Forestry & Fishing	**5.1**	5.4	**2.2**	**3.6**	2.2	4.7
Mining	**1.0**	1.1	**1.7**	**1.5**	1.7	1.3
Manufacturing	**13.3**	11.8	**22.3**	**20.8**	22.1	22.6
Electricity, Gas & Water Supply	**1.0**	0.7	**1.2**	**0.9**	0.8	0.7
Construction	**7.2**	7.8	**11.7**	**12.1**	10.0	8.6
Wholesale Trade	**6.0**	6.4	**1.4**	**1.0**	1.9	1.3
Retail Trade	**14.7**	14.4	**20.4**	**13.3**	19.2	12.0
Accommodation, Cafes & Restaurants	**4.6**	5.4	**4.0**	**4.0**	4.0	3.5
Transportation & Storage	**4.7**	4.7	**2.2**	**1.8**	1.9	1.1
Communication Services	**1.9**	1.8	**0.2**	**0.2**	0.2	0.4
Finance & Insurance	**3.8**	4.0	**0.9**	**0.4**	0.7	0.4
Property & Business Services	**9.5**	10.5	**14.3**	**11.2**	15.1	12.3
Govt. Administration & Defence	**5.2**	4.8	**5.8**	**9.6**	8.7	10.4
Education	**7.0**	6.4	**0.7**	**1.9**	0.8	1.5
Health & Community Services	**9.1**	8.7	**1.7**	**2.8**	1.8	5.9
Cultural & Recreational Services	**2.2**	2.1	**0.8**	**0.6**	1.4	2.7
Personal & Other Services	**3.8**	3.9	**8.3**	**14.5**	7.5	11.3

* As not all states report ANZSIC industry codes for registered apprentices and trainees, this data should be treated as indicative only.
** Employment share forecasts obtained using Murphy MMS model software. Source: ABS Cat No 1350.9, NCVER data, COT collection

traineeships in communications and information technology; multimedia, graphic design, TV production and the music industry; environment and forestry work; property management and sales; tourism and hospitality; sport and recreation in addition to traineeships in more traditional industries[11].

Factors affecting uptake of apprenticeships and traineeships

Returns to the individual from apprentice training

Perceived lifetime earnings of an occupation are an important factor affecting career choice. Dockery and Norris using 1991 census data investigate the lifetime returns to individuals from undertaking an apprenticeship based on earnings foregone during the term of the apprenticeship and the stream of lifetime earnings of tradespersons. The findings indicate quite high rates of return for most of the male dominated trades but low or negative returns for some female dominated occupations, such as hairdressing. Recent UK research using General Household Survey data supports the findings of positive rates of return to males from vocational education. For men with no qualifications other than vocational qualifications, positive rates of return for all vocational qualifications were estimated in the UK study (Steadman and Green, 1996). While perceived lifetime earnings are an important factor influencing career and educational choices other factors also influence educational choices for the 15 to 19 year age group.

One hypothesis as to why people undertake education and training is the so called 'screening hypothesis' (Norris, 1996) which suggests that people undertake education and training to signal their abilities to potential employers. A number of UK studies have demonstrated that a vocational qualification at any level offers an individual a better probability of finding employment compared to an individual with no qualifications. UK labour force survey data, for example, indicated an unemployment rate of 30 percent for

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young people under 26 having no qualifications[12]. Overseas research points to positive returns to vocational education at entry level and in the initial years of work. Research found that holders of vocational qualifications received a wage premium in their early years in the job market over those with no qualifications[13].

The relatively high proportion of course enrolments of 15-19 year olds that lead to a qualification further supports the 'screening hypothesis' as a motivation for young people undertaking vocational education. Around 70 percent of all course enrolments of 15-19 year olds in 1996 were in courses leading to a qualification with a further 15 percent leading to a statement of attainment or certificate of competency or proficiency. This compares with only a little over half of all course enrolments in the VET student population as a whole leading to a qualification with a further 16.5 percent leading to a statement of attainment or certificate of competency or proficiency.

Apprenticeship training and firm size

At the firm level, the current or expected level of output has been found to be the major factor influencing recruitment decisions including recruitment of apprentices. Other relevant factors include the state of the labour market for tradespersons, the capacity of the firm to adequately supervise apprentices and the degree of specific as opposed to general skills required by the firm. Because award conditions stipulate a maximum number of apprentices to tradespersons, training costs may be lower for large firms (Dockery, 1996).

Group training schemes by pooling both apprentices and employers have assisted small firms overcome some of these problems. Group training schemes manage and monitor the employment of apprentices and trainees by small employers and other employers who are unable to provide the full range of experiences required in training by rotating apprentices and trainees among host employers. A survey conducted by Group Training Australia in 1996 (Dench McClean Associates) found that 53 percent of host employers of group scheme apprentices had less than five employees, and that 89 percent of host employers had less than 50 employees. The survey estimated that almost 14 percent of apprentices and about 12 percent of trainees were in group training schemes in 1996.

Group training arrangements cannot, however, overcome all differences between large and small firms. Large firms may be able to organise work so that there is a clear delineation between skilled and unskilled jobs, whereas small firms may use apprentices to work alongside tradespersons undertaking the largely unskilled requirements of the job. Evidence from Germany suggests that small firms do not train apprentices as an investment but use them as a source of cheap labour (Steedman and Green, 1996).

In addition, the expenditure per employee, the training hours provided per employee and the proportion of employers providing training per se on average is less for firms with few employees. Large companies and public sector agencies (with at least 100 employees) spend almost four times as much on structured training as small enterprises with less than 20 employees. Firms with between 1 and 4 employees on average provided 1.7 hours of training per employee in the September quarter of 1996, compared to firms with 100 or more employees who provided an average of 6.5 hours of training per employee (see Table 16).

Importance of entry level training

Entry level training continues to be a critical source of skill acquisition to equip workers for their working life. The notion of continual skills upgrading of employees has not, as yet, become ingrained across industry sectors. The results of the ABS employer training expenditure survey conducted over the September quarter

Table 16: Training provided by employers by firm size, September quarter 1996

Number of employees	Expenditure per employee $**	Training per employee hours	Employers providing training %
1 to 4	**50.62***	1.70	**6.23**
5 to 9	**89.72**	2.73	**22.43**
10 to 19	**71.44**	2.76	**32.30**
20 to 99	**135.80**	3.79	**50.51**
100 or more	**255.64**	6.45	**88.34**

* The estimate has a relative standard error of between 25% and 40% and should be used with caution
** Includes the wages and salaries of employees during training
Source: Employer Training Expenditure Australia, July to September 1996, ABS Cat. No. 6353.0

1996 reveal that, with the exception of the 'government administration and defence' industry sector, less than half of all employers provided any training to their employees during the quarter (refer to Table 17). Less than 10 percent of employers in the 'accommodation, cafes and restaurants' and 'cultural and recreational services' sectors undertook training during the quarter.

The "mining" sector provided employees with an average of 17 hours of training per employee during the quarter, compared with two hours of training per employee provided by employers in the "accommodation, cafes and restaurants' sector (see Table 18). Employers with a permanent work force spent more on average on training during the period as did employers with a predominantly male work force. This suggests that casual workers and females are less likely to receive employer_funded training than permanent workers and males.

Conclusions

The major conclusions that can be drawn from this analysis of young peoples' participation in and outcomes from vocational education are as follows:

- Participation rates by 15-19 year olds in vocational education and training have remained unchanged over the 1990s but the training agreement arrangements and courses being undertaken by the group have changed.
- There has been a shift away from apprentices training in the vehicle and building occupational groups since

Table 17: Employers providing training: percent of industry group

Cultural & Recreational Services	10.0
Accommodation, Cafes & Restaurants	10.2
Construction	11.6
Communication Services	13.8
Retail Trade	14.3
Transport & Storage	16.0
Property & Business Services	18.5
Health & Community Services	19.8
Wholesale Trade	20.6
Personal & Other Services	21.3
Manufacturing	21.5
Mining	26.0
Finance & Insurance	26.1
Education	32.1
Electricity, Gas & Water Supply	47.8
Govt. Administration & Defence	81.0

Source: Employer Training Expenditure Australia, July to September 1996, ABS Cat. No. 6353.0

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Table 18: Training hours per employee

Accommodation, Cafes & Restaurants	2.4
Cultural & Recreational Services	2.8
Retail Trade	3.4
Wholesale Trade	3.5
Health & Community Services	4.1
Property & Business Services	4.1
Construction	4.2
Manufacturing	5.4
Education	5.9
Govt. Administration & Defence	6.0
Finance & Insurance	6.2
Transport & Storage	6.1
Communication Services	6.3
Personal & Other Services	9.7
Electricity, Gas & Water Supply	10.4
Mining	17.1

Source: Employer Training Expenditure Australia, July to September 1996, ABS Cat. No. 6353.0

1990, consistent with the decline in demand for these skills in the labour market. The expansion of traineeships since 1990 has expanded entry level training notably in the 'clerks' and 'salespersons and personal service workers' occupational groups.

- A large proportion of apprentices and trainees in the 15-19 year age group are training in industries that are forecast to decline relative to other industry sectors to 2000-01.
- Research suggests that there are substantial advantages to individuals who undertake vocational education, particularly in the initial years of employment.
- Entry level training continues to be important because the notion of continual skills upgrading of employees has not as yet become ingrained across industries.

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Endnotes

[1] Media release, the Federal Minister for Schools, Vocational Education and Training, 20 August 1997.

[2] The post 1994 data on vocational students used in this study has been obtained from the AVETMISS data collection managed by the NCVER. Comparisons with data from earlier years are problematic because of changes in the scope of the data and the collection process.

[3] About a third of commencing enrolments in the 15-19 year age group in 1990 did not provide information about highest school level completed.

[4] Australian Bureau of Statistics, Graduate Outcomes Technical and Further Education (TAFE) Australia, AGPS, Canberra, 1995

[5] Derived from commencement data in the DEET publication 'Australian Traineeship System: Trainee Commencements' 1985-86 to 1992-93 (22 December 1993).

[6] The post 1994 data on registered apprentices and trainees used in this study has been obtained from the Contracts-Of-Training (COT) data collection managed by the NCVER.

[7] Pre-1994 indenture data is not strictly comparable with the post-1994 COT collection data. In addition, because a substantial number of apprentices did not disclose their age the rate of decline in 15-19 year old apprentices is a derived estimate.

[8] R. Sweet, 1996

[9] S. Dandie, 1996

[10] Comparable 1990 data is not available.

[11] Media release, Federal Minister for Schools, Vocational Education and Training, 20 August 1997.

[12] Steadman and Green, 1996 page 11

[13] Ibid, page 11

Young peoples' participation in higher education

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Enrolments in higher education grew throughout the last decade, though the rate of growth fluctuated. In 1996 the rate of participation of 17-19 year olds (18.0 percent) and the overall participation of 17-64 year olds (5.4 percent) were both at the highest ever levels. The overwhelming majority of 17-19 year olds were enrolled full-time and all but a handful were enrolled in bachelor degrees, with diploma courses playing a minor part.

- Among 17-19 year olds, female participation at 21.3 percent outstrips male participation at 14.9 percent. Male participation rises in later years. In the 25-29 year age group it is just below the level of female participation, and a substantial majority of the students in higher degrees are male.
- Participation varies considerably between the States/Territories, being highest in the ACT, Victoria and SA, and lowest in Tasmania and NSW.
- Indigenous students are still under-represented, and there may have been a regression in the socio-economic composition of the student body. The area needs closer monitoring by the Commonwealth, and the potential effects of changes to HECS and fees also need to be watched carefully.
- The role of TAFE courses in university selection is poorly developed, especially for young people, but a range of formal and informal links are emerging. These need to be made more visible in official reporting, eg. combined course structures, and cross-sectoral enrolments.

Young people's participation in higher education

Provision of higher education

Higher education institutions primarily offer award courses at the level of bachelor degrees and above, requiring three years full-time study or its equivalent. Some sub-bachelor diploma and associate diploma courses are offered in higher education, but the proportion of enrolments is small. However, several institutions include a separate TAFE division. Most higher education institutions offer some non-award courses. Both research and teaching are conducted at virtually all institutions.

There were 658,835 students enrolled in all Australian higher education institutions at the DEETYA census date of 31 March 1997 (DEETYA, 1997b). The number of higher education institutions fell sharply during the 1988-1993 period when most institutions from the former college of advanced education sector were encouraged to merge with other institutions to form comprehensive universities. In 1997 the Commonwealth Government provided operating funds for 40 higher education institutions in Australia, all but four of which were designated universities, with an average size of 16,471 students. This group included two private institutions, Avondale College and Marcus Oldham Farm Management College with 740 students between them. The largest university (Monash) enrolled 39,648 students and there were nine other with more than 25,000 students, all of which were situated on the Eastern seaboard. A number of unfunded small private higher education institutions were also in operation, including the Bond University in Queensland and Notre Dame Australia in Western Australia. Data concerning these institutions are not collected by the Commonwealth.

Higher education institutions are autonomous bodies mostly self-governed by councils or senates. In the last decade these institutions have been affected by Commonwealth policies designed to produce a more modernised, efficient, equitable and effective system able to contribute as required to economic development and internationalisation, in the context of a competitive global economy. Enrolments increased by 67.3 percent in the decade from 1987 to 1997, and the Commonwealth has encouraged institutions to open broader pathways from TAFE to higher education, maintain adequate access to school leavers, increase participation of students from regions under-represented in the higher education system, and improve access to and completion rates of indigenous students. Various Government programs, including the work of the Commonwealth Committee for Quality Assurance, have set out to strengthen industry-based courses and graduate employability, to improve accountability to students and other stakeholders, to increase the focus on applied research in strategic areas, and to encourage new information and communications technologies in teaching, learning and course delivery.

Table 1: Students in higher education, 1987 and 1990-97

	1987	1990	1991	1992	1993	1994	1995	1996	1997 p.
15-19 years									
female	65,741	90,389	96,617	[illegible]	90,794	[illegible]	93,997	98,639	n.a.
male	56,099	71,254	74,820	[illegible]	68,660	[illegible]	70,683	73,151	n.a.
persons	121,840	161,643	171,437	164,813	159,454	161,715	164,680	171,790	n.a.
all students									
female	197,350	255,596	284,862	298,812	307,631	313,417	325,357	344,222	358,659
male	196,384	229,420	249,676	260,553	267,986	271,979	278,820	289,872	300.176
persons	393,734	485,016	534,538	559,365	575,617	585,396	604.177	634,094	658,835
15-19 share									
female	33.3	35.4	33.9	[illegible]	29.5	29.3	28.9	28.7	n.a.
male	28.6	31.1	30.0	[illegible]	25.6	25.6	25.4	25.2	n.a.
persons	30.9	[illegible]	32.1	29.4	27.7	[illegible]	27.3	27.1	n.a.

Source: Department of Employment, Education, Training and Youth Affairs, *Selected Higher Education Statistics 1996* and *Selected Higher Education Statistics 1997, Preliminary*, Canberra, AGPS

p. means data are preliminary. **n.a.** means data not available. 15-19 years share refers to the number of enrolled 15-19 year olds as a proportion of enrolled students from all age groups.

Institutions have also been expected to expand their non-government incomes, an objective that has been successfully achieved. Whereas in 1986 more than 87 percent of all institutional income came from government sources (Dawkins, 1987), by 1995 the public share was 58 percent. The primary source of funding remained the Commonwealth, which provided 57 percent of total income, mostly under the Higher Education Funding Act (55 percent). State Governments provided 1 percent. Another 12 percent was from students under the Higher Education Contribution Scheme (HECS); 12 percent in other fees and charges, including 6 percent from international students; 4 percent from research and contracts; and 4 percent from institutional investments (DEETYA, 1997a). Institutions receive HECS funding in two forms: either directly as up-front fees or indirectly as deferred payments, ultimately collected through the tax system and allocated to institutions in the year of study through the HECS trust fund.

In the 1996 Commonwealth Budget it was announced the level of charges under HECS would be increased and differentiated by three categories of course, according to cost and graduate incomes. It was decided to permit institutions to enrol fee-paying domestic students in undergraduate courses, with fees determined by the institutions, up to a level of 25 percent of students in any one course; and to fund institutions at the level of the minimum HECS for enrolments above planned load (Vanstone, 1996). The likely effects of these changes in combination are twofold. First, to increase the proportion of income from non-government sources without necessarily reducing total enrolments. Second, to introduce direct fee charging in some of the most sought-after courses and institutions, with the potential for access stratified on the basis of private capacity to pay, and greater differentials of income, resources and status between the different individual universities (Marginson, 1997a; Marginson 1997b). Some universities that intend to introduce undergraduate fees have also designed scholarship schemes that will allow selected students' fees to be waived on the basis of academic merit.

Changes in enrolments

While enrolments in higher education have continue to grow throughout the last decade, the rate of growth has fluctuated. Each year from 1987 to 1990 the number of students in the 15-19 year age group increased by 9 percent or more, sustaining subsequent growth in higher age brackets. As Table 1 shows, overall growth peaked in the two years 1990 and 1991 when the total number of students rose by 21.2 percent. In 1992 a slowdown in the growth in funded load, coupled with the effects of previous over-enrolments, led to a 3.4 percent decline in commencements. The number of 15-19 year olds fell by 4.0 percent and total enrolment growth, though sustained by pipeline effects, slowed to 4.6 percent. Two years later it had fallen to 1.7 percent. The rate of growth in 15-19 year olds was low or negative from 1992 to 1995, while there was higher than average growth in students aged over 25 years.

After a surge in postgraduate enrolments in the early 1990s there was a renewed policy emphasis on school leaver entry, and by 1996 the rate of growth of 15-19 year olds had reached 4.3 percent, slightly below the overall growth rate due to pipeline from previous mature age entry. Preliminary data indicate a further growth of 24,741 (3.9 percent) in 15-19 year olds in 1997. However, the rate of growth in commencing students (2.0 percent) was at the lowest level since 1992. Table 1 summarises these trends. There is a more detailed breakdown of the 17-19 year age group in Table A1 in the Appendix.

Female and male enrolments

The long term increase in the female share of enrolments was hastened by the entry of nurse education into higher education in the 1980s. The female share exceeded the male share for the first time in 1987 and then plateaued at 53-54 percent. The proportion of women was highest among young school leaver entrants, whose enrolment patterns were directly affected by the pattern of relatively high female retention to Year 12 of school. This relative growth in young female enrolments was partly offset by the decline in 15-19 year olds as a proportion of commencing students, from 43.9 percent in 1990 to 36.2 percent in 1996. The male share of enrolments was higher in older age groups, especially in the 25 to 29 age group, when the number of full-time males exceeded that of females. In 1996, 60.7 percent of all males in higher education were 20 years or more, compared to 54.3 percent of females.

Men continued to outnumber women in higher degrees in 1996, especially in doctoral degrees where enrolments were 41.1 percent female in composition, and in course work masters programs in Business and related disciplines which were 65.5 percent male and 34.5 percent female (DEETYA, 1996).

Table 2: Female share of enrolments in higher education, by age group, 1987 and 1990-1997, %

	1987	1990	1991	1992	1993	1994	1995	1996	1997 p.
[illegible]	54.0	[illegible]	56.4	[illegible]	56.9	[illegible]	57.1	[illegible]	n.a.
[illegible]	46.4	[illegible]	49.9	[illegible]	51.4	[illegible]	51.9	[illegible]	n.a.
[illegible]	44.1	[illegible]	48.7	[illegible]	48.8	[illegible]	50.1	[illegible]	n.a.
[illegible]	52.7	[illegible]	55.5	[illegible]	54.4	[illegible]	54.7	[illegible]	n.a.
[illegible]	50.1	[illegible]	53.3	[illegible]	53.4	[illegible]	53.9	[illegible]	54.4

Source: Department of Employment, Education, Training and Youth Affairs, *Selected Higher Education Statistics 1996*, and *Selected Higher Education Statistics 1997, Preliminary*, Canberra, AGPS

p. means data are preliminary. **n.a.** means data not available.
Female share refers to female enrolments as a proportion of enrolled persons.

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Type of institution

In 1996 just under a third of all students (30.3 percent) were enrolled in the large established universities in the 'Sandstone' group, consisting of those universities established before world war two (except Tasmania), plus the large post-war foundations at the University of NSW, Monash University and the Australian National University. These institutions command the great majority of funding for research and in most of their courses, school leaver cut-off scores for entry are high. Another 26.8 percent of students were enrolled in the other Australian universities established before 1986 (the year that the WA Institute of Technology became the Curtin University of Technology), first of the former colleges of advanced education to do so. A further 19.1 percent of students were enrolled at Curtin and the other four large universities of technology, one in each of Sydney, Melbourne, Brisbane and Adelaide. Most of the remaining students (23.1 percent) attended the other universities that have been formed since 1986.

The fastest growing group of institutions was the new universities, some of which were still undergoing their initial development as higher education institutions. The large universities of technology also underwent a notable expansion: between 1990 and 1996 the total number of students in this group rose by 73.2 percent. These universities emphasised relations with industry, applied research, vocational preparation and continuing professional education. Their level of part-time enrolments was high.

Young people constituted a larger share of enrolments at the 'Sandstones' than the other groupings, and as this suggests, the 'Sandstones' also have a relatively high proportion of full-time students. In contrast, the largest providers of external education were Charles Sturt, Deakin, Southern Queensland, New England, and Monash at its Gippsland campus.

Fields of study

In enrolment terms, the largest fields of study in higher education were the Arts,

Table 3: Students in higher education by type of institution, 1990, 1995, 1996

	'Sandstone' universities	Other pre-1986 unis	Large unis of technology	Other post-1986 unis	Other institutions	Total students
1990	138,339	[illegible]	69,997	[illegible]	117,316	[illegible]
1995	185,721	[illegible]	115,761	[illegible]	3627	[illegible]
1996	191,843	[illegible]	121,180	[illegible]	4094	[illegible]
change 1995-96	+3.3%	[illegible]	+4.7%		+12.9%	[illegible]

Source: Department of Employment, Education, Training and Youth Affairs, *Selected Higher Education Statistics 1990, 1996* and *Preliminary, 1997*, Canberra, AGPS

'Sandstone universities' includes Sydney, NSW, Melbourne, Monash, Queensland, WA, Adelaide and the Australian National University. 'Other pre-1986 universities' includes Newcastle, New England, Wollongong, La Trobe, Deakin, Griffith, James Cook, Murdoch, Flinders and Tasmania. The large universities of technology are University of Technology Sydney, RMIT, Queensland UT, Curtin UT and the University of SA. 'Other pre-1986 universities' refers to other institutions designated as universities or university colleges. In the case of 1990, which fell before the then round of mergers was complete, only the then core components of universities and future large universities of technology are included in their respective categories. For more discussion of the categories and their implications see Marginson, 1997a.

Humanities and the Social Sciences; Business, Management and related fields (including Economics and Administration); Science; Health Sciences. Education, the second largest field until a decade ago, was fifth largest in 1996. It was the only field in which the absolute number of students had fallen since 1987. Between 1990 and 1996 the most rapid growth was in Law, Agriculture, Architecture and Business. While there was obvious growth in most vocationally specific fields, enrolments in the generalist fields of Science and Arts, Humanities and Social Sciences have also risen faster than average. These Faculties were not 'non-vocational', in that they included disciplines such as Computing and Psychology, and in recent years there had been a trend to more vocationally focused courses within Humanities and Social Sciences.

Table A2 provides details of enrolments by field of study. It shows that between 1995 and 1996 the most rapid enrolment growth was in Business Studies, Architecture and Law.

Enrolment of 15-19 year olds

By 1996 the number of 15-19 year olds had reached 171,790, exceeding the previous high point in 1991. Of these students 1172 were aged 16 years or less at 31 March 1996, and a further 36,795 were 17 years of age, as Table 4 shows. Between 1995 and 1996 there was some growth in enrolments at all levels, except 15-16 year olds, where there is a long term trend to falling numbers.

As Table 4 indicates the overwhelming majority of students aged 19 years or less were enrolled on a full-time basis: 92.9 percent of females and 92.3 percent of all males in 1996. Of the 12,688 part-time students in 1996, 10,818 were enrolled as internal part-time students (6.3 percent) and only 1870 (1.1 percent) were external students. Similarly, it appears that few young students take part in Open Learning courses (ABS, 1996A: 32). The picture was very different in the older age groups. In 1996 there were a total of 176,690 internal part-time students and 85,088 externals in all age groups, constituting 27.9 percent and 13.4 percent respectively of the total student body. Only 23.3 percent of students aged 30 years and over were enrolled full-time. In that age group internal part-timers constituted 46.9 percent of students, while 29.8 percent were externals. In the older age groups higher education students were much more likely to mix study with full-time work (DEETYA, 1996).

Table 4: 15-19 year olds in higher education, 1990, 1995 and 1996, full-time and part-time

	1990			1995			1996		
	FT	PT	Total	FT	PT	Total	FT	PT	Total
[illegible]	1765	95	1860	[illegible]	[illegible]	[illegible]	1078	94	1172
[illegible]	34,787	1658	36,445	[illegible]	[illegible]	[illegible]	35,231	1564	36,795
[illegible]	59,406	4200	63,606	[illegible]	[illegible]	[illegible]	62,205	4410	66,615
[illegible]	54,129	5803	59,932	[illegible]	[illegible]	[illegible]	60,588	6620	67,208
[illegible]	150,087	11,756	161,843	[illegible]	[illegible]	[illegible]	159,102	12,688	171,790

Source: Department of Employment, Education, Training and Youth Affairs, *Selected Higher Education Statistics for 1990, 1995 and 1996*, Canberra, AGPS.

Includes overseas students. FT means full-time, PT means part-time and includes both internal and external students. Note that students aged less than 15 years are included in the 15-16 year group.

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Table 5: Level of study in higher education, 15-19 year olds 1990, 1995 and 1996

	15-19 year old students					all students				
	post-graduate	bachelor degree	sub-bachelor	other course	total	post graduate	bachelor degree	sub-bachelor	other course	total
[illegible]	139	135,393	25,369	942	161,843	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	69	160,083	3424	1104	164,680	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	112	167,339	3204	1135	171,790	[illegible]	[illegible]	[illegible]	9884	[illegible]

Source: Department of Employment, Education, Training and Youth Affairs, *Selected Higher Education Statistics 1990, 1995* and *1996*, Canberra, AGPS

Post-graduate means higher degree or graduate or postgraduate diploma or certificate. Sub-bachelor refers to diploma and certificate courses below bachelor level and typically two years full-time or less. Other course includes enabling courses and non-award courses.

Level of study

Similarly, the norm for young people in higher education was Bachelor level study. In 1996, 97.4 percent of the 171,790 students aged 19 or less 1996 were at Bachelor degree level, with most of the remainder (1.9 percent) in sub-Bachelor programs. Only 112 were postgraduates (less than 0.1 percent).

This compared with 20.9 percent postgraduate enrolment in the whole of higher education. Sub-Bachelor courses were more prevalent among students aged over 25 years than young students. Table 5 summarises the enrolment of the 15-19 year age group by level of study.

Table 5 also shows the declining role of sub-Bachelor level courses since 1990. The number of 15-19 year olds enrolled in sub-Bachelor diploma and certificate programs dropped from 25,369 in 1990 to 3204 in 1996. This signifies the reconstruction of the old college of advanced education courses into university programs, at the same time as the role of TAFE in diploma programs was being consolidated. Nevertheless, not all sub-Bachelor programs in higher education had disappeared. Between 1995 and 1996 the total number of students enrolled at this level increased by 7.7 percent, though the number of 15-19 year old sub-Bachelor students fell. This suggests that a diploma/degree division between TAFE and higher education held with greater precision for school leavers than for older students.

Participation rates of young people

Education participation rates express the number of people enrolled in education as a proportion of the relevant age group in the population. Participation is measured by two different methods. One is to calculate the number of people attending an institution at a certain point in time, as in the ABS surveys. The other is to use administrative data based on the enrolments that occurred over a whole year, the method most often used by DEETYA. The latter method produces higher rates of participation (ABS, 1996a: 113-114). Nevertheless, trends may be measured with equal accuracy in either data set.

From 1990 to 1996 the participation of 17-19 year olds rose significantly, with a shift to full-time participation, particularly among females. A slight decline in the participation rate in 1992-1993 was followed by a steady increase after 1993. Participation reached its highest ever level of 18 in every 100 in 1996 (Table 7). Table 8 shows that the growth in participation was largely confined to 18 and 19 year olds, with little change for 17 year olds. Among 19 year olds in 1996, a record level of 30.4 percent of females and 21.8 percent of males were students in higher education. At the same time, the size of the relevant population cohort was in decline (ABS, 1997b), and mature age and second degree entry continued to grow at healthy rates. Enrolments in

Table 6: Higher Education Participation Rates by enrolment type, 17-19 and 17-64 years, 1975, 1987 and 1990-96, %

participation per 100 of the relevant population cohort, age at 30 June

	1975	1987	1990	1991	1992	1993	1994	1995	1996 p
17-19 years									
female	11.0	13.6	17.5	18.9	18.5	18.7	19.5	[illegible]	21.3
male	10.9	11.2	13.0	13.8	13.4	13.4	13.9	14.4	14.9
persons	11.0	12.5	15.2	16.3	15.9	[illegible]	16.6	[illegible]	18.0
17-64 years									
female	2.6	[illegible]	4.8	5.2	5.4	[illegible]	5.5	[illegible]	5.9
male	3.8	3.8	4.1	4.4	4.6	4.7	4.7	4.8	4.9
persons	3.3	[illegible]	4.4	4.8	5.0	[illegible]	5.1	[illegible]	5.4

Source: Department of Employment, Education, Training and Youth Affairs, *Higher Education Participation Rates*, 1997, AGPS, Canberra.

Part-time includes both internal and external participation. Includes overseas students. p. means data are preliminary. Unfunded private institutions are excluded (eg Bond University).

Table 7: Higher Education Participation Rates by gender, 17-19 and 17-64 years, 1975, 1987 and 1990-1996, %

participation per 100 of the relevant population cohort, age at 30 June

	1975	1987	1990	1991	1992	1993	1994	1995	1996 p
17-19 years									
full time	10.1	11.6	14.2	15.3	15.0	15.1	15.7	[illegible]	16.9
part time	1.0	0.9	1.0	1.0	0.9	1.0	1.0	1.1	1.2
total	11.0	12.5	15.2	16.3	15.9	16.0	16.6	17.2	18.0
17-64 years									
full time	2.1	2.3	2.7	3.0	3.0	3.0	3.0	3.1	3.2
part time	1.2	1.5	1.7	1.9	2.0	2.1	2.1	[illegible]	2.2
total	3.3	3.8	4.4	4.8	5.0	5.1	5.1	[illegible]	5.4

Source: Department of Employment, Education, Training and Youth Affairs, *Higher Education Participation Rates*, 1997, AGPS, Canberra.

Includes both full-time and part-time participation. Includes overseas students. p. means data are preliminary. Unfunded private institutions are excluded (eg. Bond University)

postgraduate education grew very rapidly. In the outcome the increase in the rate of participation of young people did not translate into a rise in the 15-19 year old share of total enrolments, or of total commencements. If the Commonwealth had intended to secure a major shift towards school leaver entry and away from second degree enrolment, this objective was unsuccessful. Nevertheless, it is important to recognise that young people's access increased substantially, and if the 15-19 year old group had not been in demographic decline, the statistical picture would have been different. Further, the gradual policy shift towards a demand-driven system, a shift accompanied by rising user payments, suggests that first and second degree enrolments were no longer in a zero-sum relationship. Under the mid-1990s policy settings, both 15-19 old participation and mature age

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Table 8: Participation of 17-19 year olds in Higher Education by enrolment type and gender, 1990, 1995 and 1996

	1990			1995			1996 p.		
	FT	PT	total	FT	PT	total	FT	PT	total
female									
17 years	4.6	0.2	**4.7**	4.7	0.2	4.9	4.9	0.2	**5.1**
18 years	21.8	1.0	**22.9**	25.8	1.2	27.0	26.8	1.4	**28.2**
19 years	22.3	1.7	**24.0**	26.4	2.2	28.5	27.9	2.5	**30.4**
17-19 years	16.5	1.0	**17.5**	19.1	1.2	20.3	20.0	1.3	**21.3**
male									
17 years	3.1	0.2	**3.3**	3.3	0.1	3.4	3.3	0.1	**3.4**
18 years	15.9	1.0	**16.9**	17.8	0.6	18.4	18.4	1.0	**19.4**
19 years	16.6	1.7	**18.3**	[illegible]	1.8	20.9	19.9	1.8	**21.8**
17-19 years	12.0	1.0	**13.0**	13.4	[illegible]	14.4	13.9	1.0	**14.9**
persons									
17 years	3.8	0.2	**4.0**	4.0	0.2	4.2	4.1	0.1	**4.2**
18 years	18.8	1.0	**19.8**	21.6	1.0	22.6	22.5	1.2	**23.7**
19 years	19.4	1.7	**21.1**	22.7	1.9	24.6	23.8	2.2	**26.0**
17-19 years	14.2	1.0	**15.2**	16.2	1.1	17.2	16.9	1.2	**18.0**

Source: Department of Employment, Education, Training and Youth Affairs, Higher Education Participation Rates, 1997, AGPS, Canberra.

Includes overseas students. FT means full-time, PT means part-time and includes both internal and external students. p. means data are preliminary. Unfunded private institutions are excluded.

participation could increase simultaneously.

As the enrolment data in Table 1 and 2 suggest, young women participated in higher education at a greater rate than young men, and the gap was widening. There was little difference between the sexes in 1975. By 1990 the participation rate of 17-19 year old females was 17.5 percent compared to a male rate of 13.0 percent. By 1996 female participation was at 21.3 percent while the male rate was at 14.9 percent, just over two thirds that of females (Table 8).

Table 9: Higher Education Participation Rates, 1995 and 1996, with and without international (overseas) students (%).

	participation per 100 of the relevant population cohort, age as at 30 June							
	17 years	18 years	**19 years**	17-19 years	**20-24 years**	25-29 years	**30-64 years**	17-64 years
with overseas students								
1995	**4.2**	22.6	**24.6**	17.2	**15.1**	5.8	**2.2**	5.2
1996 p.	**4.2**	23.7	**26.0**	18.0	**15.9**	6.1	**2.3**	5.4
no overseas students								
1995	**4.1**	22.2	**23.8**	16.8	**13.6**	5.1	**2.0**	4.8
1996 p.	**4.2**	23.3	**25.1**	17.6	**14.3**	5.4	**2.1**	5.0

Source: Department of Employment, Education, Training and Youth Affairs, Higher Education Participation Rates, 1997, AGPS, Canberra.

Includes both full-time and part-time participation. p. means data are preliminary.

International students

Between 1990 and 1996 the number of full fee international students rose from 16,805 to 52,899 (DEETYA 1996). Participation rates normally include international students. The relevant population cohort includes foreigners resident in Australia for a period of twelve months or more, meaning that for the purposes of calculating participation rates, some international students are included in the numerator but not in the denominator. This tends to exaggerate those rates. Removal of international students from the numerator creates the opposite bias: it tends to understate participation rates, because some international students were still part of the denominator. Nevertheless, it shows that the trend to increased participation is robust and not an artefact of the remarkable growth in the international student market. Between 1995 and 1996 the participation rate of 17-19 year olds increased by 0.8 percent, whether or not international students are included (Table 9).

State/Territory variations

There remained considerable differences between the States and Territories in rates of participation in higher education. In 1995 the proportion of the 17-19 year old cohort enrolled varied from 27.7 percent in the Australian Capital Territory to only 9.2 percent in the Northern Territory. Participation in Victoria and South Australia was well above the national average, while rates in Tasmania and NSW were relatively low (Table 10).

Inter-State comparisons are complicated by student mobility. In 1995, 50,474 higher education students had home addresses outside Australia, and a further 41,310 whose permanent home address was in Australia were studying outside their State/Territory of permanent residence (ABS, 1996A: 172). State of origin participation rates exclude international students and 'return' all other students to their State/Territory of permanent residence. As Table 10 illustrates, the effect is to reduce participation rates by more in WA, Victoria and the ACT than in other States/Territories. A relatively high proportion of NSW and Queensland residents are mobile for study purposes.

Entry into higher education

Few issues in education receive as much public and governmental attention as entry into higher education. Higher

Table 10: Higher Education Participation Rates, 1995, by State/Territory, and State/Territory of Origin (%)

participation per 100 of the relevant population cohort, age at 30 June

	NSW	VIC	QLD	WA	SA	TAS	NT	ACT	AUST
S/T attendance	14.3	19.5	17.3	17.0	19.2	13.5	[illegible]	27.7	17.2
17-19 years	4.8	5.8	4.8	5.2	5.0	4.2	4.2	9.7	5.2
17-64 years									
S/T origin									
17-19 years	13.8	18.8	16.9	16.2	18.9	13.2	9.0	27.1	16.8
17-64 years	4.5	5.2	4.6	4.5	4.6	4.1	5.2	7.5	4.8

Source: Department of Employment, Education, Training and Youth Affairs, *Higher Education Participation Rates*, 1997, AGPS, Canberra.

Includes both full-time and part-time participation.

Participation rates for State/Territory (S/T) of Attendance include overseas students. Participation rates for State/Territory of Origin exclude overseas students and 'return' inter-State students to their State of permanent address.

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education institutions control their own processes of selection but the final make-up of the student body is capable of influence by many factors external to the selection process, including secondary examinations and subject systems, the level and extent of fees and other private costs, the recognition of qualifications earned in TAFE and the extent of opportunities for other potential applicants not in possession of standard secondary school qualifications, and the operation of specific government programs designed to increase the participation of specific groups of students, such as indigenous students.

Indigenous students

In general Commonwealth policy has sought to broaden the social, educational and occupational composition of the potential pool of entrants, though policies to achieve this objective have varied. A major focus has been the participation of indigenous Australians. Between 1994 and 1996 the number of Aboriginal and Torres Strait Islander students enrolled in higher education institutions increased from 6264 to 6956. These students were concentrated in Arts, Social Sciences and Humanities; Education; and Health Sciences. Between 1990 and 1995 the number of indigenous graduates rose from 483 to 863, representing 0.6 percent of all graduates, compared to the 2.0 percent of indigenous people in the Australian population (ABS, 1997a).

Rural and remote students are also substantially unrepresented in higher education (see for example ABS, 1992: 83), and for many indigenous students, the cultural barriers they face are compounded by locational barriers.

Socio-economic advantage and disadvantage

Notwithstanding the expansion of higher education, its socio-economic composition remains substantially weighted in favour of students from upper socio-economic backgrounds as measured by parental incomes, wealth, education and occupation, and students' schools of origin: government, Catholic private or independent private. For example the September 1996 ABS labour force survey found that 23.3 percent of the higher education students in the survey stated that the last school they attended was an independent private school, although these schools comprise only 15.4 percent of year 12 enrolments in 1995 (ABS 1996b; ABS, 1997d). Students from these schools are more strongly represented in the 'Sandstone' universities than other institutions (Marginson, 1997b). The Commonwealth does not collect and publish comprehensive data on the socio-economic composition of individual institutions, or of higher education as a whole. In recent years the main source of data has been the Australian Council for Educational Research's (ACER's) Youth in transition project.

The ACER research group found that during the 1980s, because the growth of secondary enrolments exceeded the growth in opportunities to enter higher education, entrance to higher education became less rather than more equitable. 'By the end of the decade ... the advantage of being wealthy had increased'. In teenage years, the role of independent private schools was enhanced relative to the role of government schools, though government school secondary students regained some of the lost ground in later age groups (Williams et al, 1993: 32-54, 78-86). In a National Board of Employment, Education and Training financed study, Postle et al (1995: 84-85) noted that students from upper socio-economic backgrounds tended to concentrate in the prestigious professional courses, and were much more strongly over-represented in postgraduate than undergraduate education.

Because there are alternative choices for private expenditure, the individual's capacity to participate in higher education is affected by its costs. Under the arrangements existing in 1996, 56.6 percent of all students opted to pay the

Table 11: Students commencing Bachelor Level Courses, Basis for Admission, 1996

Basis of admission	Commencing students	Proportion of these students (%)
Completed higher education course	20,098	10.4
Incomplete higher education course	24,682	12.8
Satisfactory completion of secondary school	88,608	45.8
Secondary equivalent course in TAFE or elsewhere	2296	1.2
Other complete or incomplete TAFE course	11,819	6.1
Employment experience, professional studies or OL	7451	3.9
Mature age or other special entry provisions	18,978	9.7
Examination or assessment by institution	8086	4.2
Other basis	11,374	5.9
Total	193,392	100.0

Source: Department of Employment, Education, Training and Youth Affairs, Selected Higher Education Statistics 1996, Canberra, AGPS.

OL means Open Learning Course.

HECS on a deferred basis through the tax system, 23.1 percent paid the HECS at the point of enrolment, 12.8 percent paid up-front tuition fees (for example fee paying international students and postgraduate students), and the remainder had fees paid by third parties or were exempt (DEETYA 1996). In its first five years the HECS had little effect on the socio-economic composition of higher education. This was a function of its character as a deferred income-contingent payment with zero real interest rate, which compensated for prior inequalities in the capacity to borrow privately (Chapman, 1996).

However, the 1997 increases in the level of HECS charges, and the introduction of undergraduate fees in 1998, add two new and potentially influential elements to the equation. To the extent to which private costs are shifted from the income contingent HECS mechanism to up-front fee charging, the potential for regressive socio-economic effects is enhanced.

Access from TAFE

It is difficult for policy makers to secure consensus on these issues, even among themselves. There is broad agreement on the need to improve routes between Vocational Education and Training (VET) and higher education, and expand other forms of non-school leaver entry. However, not many higher education students aged 15-19 use these routes - few have the necessary post-school education outside university, or occupational experience. Access for young people is largely governed by academic performance at school. Those students for whom school has not proved a satisfactory educational preparation for the rather different world of higher education mostly have to wait before gaining a second chance as mature age students.

In 1996, 51.8 percent of all students commencing new courses in higher education had not attended secondary school in the previous two years. This reveals little about young people's access because 26.0 percent of commencing students were postgraduates, and only 36.2 percent of all commencers were aged 19 years or less. In 1996, 8.2 percent of commencers had gained their highest previous qualification in TAFE, although this qualification did not necessarily provide a basis for admission. Of the 193,392 students who entered bachelor level courses that year - the level at which TAFE qualifications could be expected to play the greatest role -

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11,819 (6.1 percent) were admitted on the basis of a previous complete or incomplete TAFE course, and a further 2296 (only 1.2 percent of the total) on the basis of the satisfactory completion of secondary qualifications in TAFE or other non-school institutions (Table 11).

VET-higher education relations

There is more engagement between VET and higher education institutions - both formal and informal - than the minor role of TAFE qualifications in student selection might suggest. Informally, a large minority of post-school students undertake courses in both post-school sectors, with the proportion who follow a higher education course with a VET course being much higher than the proportion who follow a VET course with a higher education course (Golding et al 1996). Formally, most universities have created credit transfer arrangements with VET institutions, the majority of these arrangements being in Engineering and Business Studies. There are also four institutions which house both TAFE and higher education divisions: Southern Cross University in NSW and Swinburne University, Victoria University and RMIT in Victoria. Within these institutions there are still cultural barriers between the sectors, but over time internal articulation arrangements have emerged, including systems for the mutual development of curricula.

Monash University and Casey Institute of TAFE have negotiated a combined course program, whereby students at the Monash Berwick campus prepare for both a Monash degree and a TAFE diploma in related fields. Similar arrangements are under discussion in a number of other institutions. TAFE also plays a widespread though little recognised role as a provider of higher education programs on behalf of individual universities. The incidence of higher education places in TAFE, and of TAFE places in higher education, is not specifically reported in either the DEETYA statistical collection or the NCVER statistical collection in the VET sector.

Summary and conclusions

- Enrolments in higher education grew throughout the last decade, though the rate of growth fluctuated. In 1996 the rate of participation of 17-19 year olds (18.0 percent) and the overall participation of 17-64 year olds (5.4 percent) were both at the highest ever levels. The overwhelming majority of 17-19 year olds were enrolled full-time and all but a handful were in bachelor degree programs, with diploma courses playing a minor part.
- Among 17-19 year olds, female participation at 21.3 percent outstrips male participation at 14.9 percent. Male participation rises in later years. In the 25-29 year age group it is just below the level of female participation, and a substantial majority of the students in higher degrees are male.
- Participation varies considerably between the States/Territories, being highest in the ACT, Victoria and SA, and lowest in Tasmania and NSW.
- Indigenous students are still under-represented, and there may have been a regression in the socio-economic composition of the student body. The area needs closer monitoring by the Commonwealth, and the potential social effects of changes to HECS and fees also need to be watched carefully.
- The role of TAFE courses in university selection is poorly developed, especially for young people, but a range of formal and informal links are emerging. These need to be made more visible in official reporting, eg. combined course structures, and cross-sectoral enrolments.

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Appendix

Table A1 15-19 year olds in higher education, 1990, 1995 and 1996, full-time and part-time

	1990			1995			1996		
	FT	PT	total	FT	PT	total	FT	PT	total
female									
15-16 years	1056	43	1099	718	50	768	676	61	737
17 years	20,112	817	20,929	19,770	800	20,570	20,785	883	21,668
18 years	33,372	2059	35,431	34,080	2205	36,285	35,465	2461	37,926
19 years	30,326	2804	33,130	33,017	3357	36,374	34,674	3634	38,308
15-19 years	84,866	5723	90,589	87,585	6412	93,997	91,600	7039	98,639
male									
15-16 years	709	52	761	501	33	534	402	33	435
17 years	14,675	841	15,516	14,114	624	14,738	14,446	681	15,127
18 years	26,034	2141	28,175	25,234	1752	26,986	26,740	1949	28,689
19 years	23,803	2999	26,802	25,550	2875	28,425	25,914	2986	28,900
15-19 years	65,221	6033	71,254	65,399	5284	70,683	67,502	5649	73,151
persons									
15-16 years	1765	95	1860	1219	83	1302	1078	94	1172
17 years	34,787	1658	36,445	33,884	1424	35,308	35,231	1564	36,795
18 years	59,406	4200	63,606	59,314	3957	63,271	62,205	4410	66,615
19 years	54,129	5803	59,932	58,567	6232	64,799	60,588	6620	67,208
15-19 years	150,087	11,756	161,843	152,984	11,696	164,680	159,102	12,688	171,790

Source: Department of Employment, Education, Training and Youth Affairs, *Selected Higher Education Statistics* for *1990, 1995* and *1996*, Canberra, AGPS

Includes overseas students. FT means full-time, PT means part-time and includes both internal and external students. Note that any students aged less than 15 years are included in the 15-16 year old group.

Table A2 Students in Higher Education by Broad Field of Study, 1987, 1990, 1995 and 1996

	1987	1990	1995	1996	change (%) 1995-96	change (%) 1990-96
non-award courses	**5534**	3128	**5956**	6281	**+5.5**	+100.8
Law and Legal Studies	**11,345**	14,135	**23,490**	24,995	**+6.4**	+76.8
Agriculture	**7061**	8559	**11,850**	12,059	**+1.8**	+40.9
Architecture and Building	**8974**	10,724	**13,550**	14,704	**+8.5**	+37.1
Business and related fields	**72,688**	104,825	**129,177**	143,583	**+11.2**	+37.0
Science	**51,422**	67,330	**88,172**	91,986	**+4.3**	+36.6
Engineering/Surveying	**30,098**	36,019	**48,169**	48,733	**+1.2**	+35.3
Health (incl. Medicine)	**37,328**	54,498	**72,137**	73,262	**+1.6**	+34.4
Humanities/Social Science	**95,714**	109,551	**139,367**	146,308	**+5.0**	+33.6
Veterinary Science	**1458**	1534	**1674**	1658	**–1.0**	+8.1
Education	**72,112**	74,772	**70,635**	70,525	**–1.6**	-5.7
Total	393,734	485,075	604,177	634,094	+5.0	+30.7

Source: Department of Employment, Education, Training and Youth Affairs, *Selected Higher Education Statistics, 1996*, Canberra AGPS

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Table A3 Participation Rates by Age Group, Higher Education 1990 (%)

Population per 100 of the relevant population cohort, age at 30 June

Age:	17	18	19	17-19	20-24	25-29	30-64	17-64
1990								
female								
full-time	4.6	21.8	22.3	16.5	9.1	1.5	0.5	3.0
part-time	0.2	1.0	1.7	1.0	3.1	2.5	1.5	1.8
total	4.7	22.9	24.0	17.5	12.2	4.0	2.0	4.8
male								
full-time	3.1	15.9	16.6	[illegible]	8.6	1.8	0.4	[illegible]
part-time	0.2	1.0	1.7	1.0	3.1	2.5	1.2	1.4
total	3.3	16.9	18.3	[illegible]	11.7	4.3	1.6	4.1
persons								
full-time	3.8	18.8	19.4	14.2	8.9	1.7	0.4	[illegible]
part-time	0.2	1.0	1.7	1.0	3.1	2.5	1.4	[illegible]
total	4.0	19.8	21.1	15.2	11.9	4.2	1.8	4.4

Source: Department of Employment, Education, Training and Youth Affairs, *Higher Education Participation Rates*, 1997, AGPS, Canberra.

Includes overseas students. Part-time includes both internal and external.

Table A4 Participation Rates by Age Group, Higher Education 1995 (%)

Population per 100 of the relevant population cohort, age at 30 June

Age:	17	18	19	17-19	20-24	25-29	30-64	17-64
1995								
female								
full-time	4.7	25.8	26.4	19.1	11.7	2.2	0.5	[illegible]
part-time int.	0.2	1.8	1.9	[illegible]	3.6	[illegible]	1.2	[illegible]
part-time ext.	0.1	[illegible]	0.3	[illegible]	0.9	[illegible]	0.7	[illegible]
total	4.9	[illegible]	28.5	[illegible]	16.1	[illegible]	2.4	[illegible]
male								
full-time	3.3	17.6	19.1	[illegible]	10.3	[illegible]	0.5	[illegible]
part-time int.	0.1	[illegible]	1.6	[illegible]	3.2	[illegible]	1.0	[illegible]
part-time ext.	0.0	[illegible]	0.2	[illegible]	0.6	[illegible]	0.5	[illegible]
total	3.4	[illegible]	20.9	[illegible]	14.0	[illegible]	2.0	[illegible]
persons								
full-time	4.0	[illegible]	22.7	[illegible]	11.0	[illegible]	0.5	[illegible]
part-time int.	0.1	[illegible]	1.7	[illegible]	3.4	[illegible]	1.1	[illegible]
part-time ext.	0.0	[illegible]	0.3	[illegible]	0.7	[illegible]	0.6	[illegible]
total	4.2	[illegible]	24.6	[illegible]	15.1	[illegible]	2.2	[illegible]

Source: Department of Employment, Education, Training and Youth Affairs, *Higher Education Participation Rates*, 1997, AGPS, Canberra.

Includes overseas students. Part-time includes both internal and external.

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Table A5 Participation Rates by Age Group, Higher Education 1996 p. (%)

Population per 100 of the relevant population cohort, age at 30 June

Age:	17	18	19	17-19	20-24	25-29	30-64	17-64
1996p								
female								
full-time	**4.9**	26.8	**27.9**	20.0	**12.5**	2.3	**0.6**	3.5
part-time int.	**0.2**	1.2	**2.1**	1.2	**3.6**	2.6	**1.2**	1.6
part-time ext.	**0.0**	0.2	**0.4**	0.2	**1.1**	1.3	**0.8**	0.8
total	**5.1**	28.2	**30.4**	21.3	**17.2**	6.2	**2.5**	5.9
male								
full-time	**3.3**	18.4	**19.9**	13.9	**10.8**	2.6	**0.5**	2.9
part-time int.	**0.1**	0.9	**1.6**	0.9	**3.2**	2.3	**0.9**	1.4
part-time ext.	**0.0**	0.1	**0.2**	0.1	**0.7**	1.1	**0.6**	0.6
total	**3.4**	19.4	**21.8**	14.9	**14.7**	6.0	**2.0**	4.9
persons								
full-time	**4.1**	22.5	**23.8**	16.9	**11.6**	2.4	**0.5**	3.2
part-time int.	**0.1**	1.0	**1.9**	1.0	**3.4**	2.5	**1.1**	1.5
part-time ext	**0.0**	0.2	**0.3**	0.2	**0.9**	1.2	**0.7**	0.7
total	**4.2**	23.7	**26.0**	18.0	**15.9**	6.1	**2.3**	5.4

Source: Department of Employment, Education, Training and Youth Affairs, *Higher Education Participation Rates*, 1997, AGPS, Canberra.
p. means data are preliminary. Includes overseas students.
Part-time includes both internal and external

Table A6 Higher Education Participation Rates by gender and age. 1990, 1995 and 1996 (%)

Participation per 100 of the relevant population cohort, age at 30 June

Age:	17	18	19	17-19	20-24	25-29	30-64	17-64
female								
1990	**4.7**	22.9	**24.0**	17.5	**12.2**	4.0	**2.0**	4.8
1995	**4.9**	27.0	**28.5**	20.3	**16.1**	5.8	**2.4**	5.7
1996 p.	**5.1**	28.2	**30.4**	21.3	**17.2**	6.2	**2.5**	5.9
male								
1990	**3.3**	16.9	**18.3**	13.0	**11.7**	4.3	**1.6**	4.1
1995	**3.4**	18.4	**20.9**	14.4	**14.0**	5.8	**2.0**	4.8
1996 p.	**3.4**	19.4	**21.8**	14.9	**14.7**	6.0	**2.0**	4.9
persons								
1990	**4.0**	19.8	**21.1**	15.2	**11.9**	4.2	**1.8**	4.4
1995	**4.2**	22.6	**24.6**	17.2	**15.1**	5.8	**2.2**	5.2
1996 p.	**4.2**	23.7	**26.0**	18.0	**15.9**	6.1	**2.3**	5.4

Source: Department of Employment, Education, Training and Youth Affairs, *Higher Education Participation Rates*, 1997, AGPS, Canberra.

p. means data are preliminary. Includes overseas students
Includes both full-time and part-time participation

Young people and labour market disadvantage:

The situation of young people not in education or full-time work

Alison McClelland
Helen MacDonald
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Brotherhood of St Laurence

The Brotherhood of St Laurence works for the well-being of the poorest members of the Australian community to improve their economic, social and personal circumstances.

It provides essential services for people who need them most and works towards positive change through community education, research, social action and advocacy.

This article examines the situation of young people engaged in marginal activities who, as a result, may face limited choices about their job and income situation in the future. This involves more than unemployed young people. It includes those 15 to 19-year-olds who are neither in education or training (to study for a recognised qualification) nor in full-time work.

- In 1996 there were an estimated 187,700 15 to 19-year-olds (almost 15 percent) engaged in marginal activities at one point of time. This was made up of:

  67,800 not studying and in part-time work

  78,200 not studying and unemployed

  41,700 not studying and not in the labour force

  Around 9 percent of teenagers were engaged in marginal activities over a three year period.

- Young people engaged in marginal activities are more likely to be early school leavers; to have parents who have an occupational background that is unskilled and manual; and to be indigenous Australians. A number of other socio-economic factors are also important. The extreme disadvantage of early school leavers is apparent.

- The over-representation of young people from families with lower socio-economic status in the marginalised group raises the probability of the perpetuation of inter-generational inequality.

- There is a critical absence of information about a very small group (around 3-4 percent) of 15 to 19-year-olds who are not studying and not in the labour force.

Policy responses should give priority to the situation of indigenous young people; improving training and educational opportunities for disadvantaged young people; and the provision of structured pathways from school to work.

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Young people and labour market disadvantage: The situation of young people not in education or full-time work

> "Give us a commitment for future work, give us some money to get there, to get that job, give us some kind of training towards that job. Don't leave us floating in the air."
> (Young man in Crooks et al.)

The community tends to place special emphasis on youth unemployment. Employment has traditionally been a key part of young people's transition from dependence to independence.

Youth unemployment is substantially higher than the unemployment rates for other age groups, and teenagers and young adults together represent almost 40 percent of all unemployed people. There is also a concern about the long-term impact of such widespread unemployment (especially when it is for long periods) on the futures of young people, their personal health and well-being, and on their integration into full community life. This has implications for social policy beyond employment, education and income support for young people.

Our concern about youth unemployment needs to extend to the wider group of young people who appear to be experiencing labour market disadvantage or 'marginalisation'. Unemployed young people are not a static group and there is evidence of considerable movement by some young people between a range of activities that may not improve their labour market position.

Changes in the structure of the labour market, especially the increased incidence of part-time and casual work and the loss of opportunities for full-time work for young people, may mean that many young people who are in work may still face limited choices about their job and income situation in the future:

- the labour market seems to be increasingly segmented into a primary labour market with more secure better-paid jobs for more highly-skilled people and a secondary labour market with lower-skilled workers who are more confined to casual and low-paid employment with little prospect of upward mobility;
- the casualisation of the labour force has disproportionately affected young people;
- Sweet describes a particular feature of the youth labour market over the 1990s as "the growth in the number of teenagers who are not full-time students but who are not at the same time employed on a full-time basis", noting that in 1989, one in four of those teenagers who were not full-time students were also not in full-time work and that this had risen to one in two by 1996;
- Sweet comments that this group is best described as engaged in marginal activities 'many of which are inherently unstable' with the prospect of participation in full-time work being delayed into their mid-thirties; similarly Freeland argues that 15 to 19 year olds who are not in full-time employment or in full-time education and training can be characterised as having a very substantial risk of ongoing labour market disadvantage; and the Committee on Employment Opportunities found that:

> Young people who are most at risk of lower incomes and long periods of

> unemployment include: those unemployed and not participating in education, part-time workers not participating in education, and young people who are neither participating in education nor in the labour market.'

and suggested that nearly 17 percent of all teenagers may be affected.

While most 15 to 19-year-olds who are not in the labour market are either full or part-time students, a small minority are not students and also may be marginalised from the opportunities which education and training offer.

This paper therefore focuses on the situation of 15 to 19-year-olds who are neither in education or training (to study for a recognised qualification) nor in full-time work - we have termed their activities as 'marginal'.

It provides information about the dimensions and circumstances of the group of young people involved in marginal activities as a whole and then examines in more detail the activities which members of this group are involved in: unemployment, part-time work or non-labour market activities. The situation of those young people in insecure or 'precarious' full-time employment is not discussed here. While there is a lack of available data regarding the extent and nature of short-term and insecure full-time work among non-student teenagers it can be assumed that many in this group may be at risk of on-going labour market disadvantage also. In addition some full-time students who are alienated from their schooling experience may also be marginalised. The paper therefore underestimates the number of young people engaged in marginal activities.

The paper concludes with a brief discussion of the policy implications with a particular focus on the role of labour market programs and a brief comment on the Youth Allowance.

Data sources

This paper compiles data on the group of young people involved in marginal activities from a number of sources.

Data from the ABS labour force survey provide an overall picture of the group defined as engaged in marginal activities. A number of limitations apply to the ABS labour force survey data and should be taken into account when evaluating the conclusions drawn. ABS surveys are sample-based and there is therefore a degree of uncertainty. This is not a major problem when estimates are based on large numbers of survey respondents. However the smaller the group of respondents, the less likely they are to be reliable'.

Another indication of the extent of marginal activity is provided by Department of Social Security (DSS) data showing the number of young people who receive DSS payments. As these are point-in-time data some variation would be expected between the numbers presented here and any estimation of DSS recipients over a year or other period of time. Detailed DSS data for 1990 was not available.

The available data include little information about the socio-economic characteristics of young people who are involved in marginal activities. To ensure that this group is not overlooked in future policy formulation and further disadvantaged as a result, it will be necessary to ensure that appropriate and sufficient data are routinely collected and made widely available.

Sample surveys such as the ABS labour force survey do not reflect the likely movement over time of young people in and out of employment, unemployment and marginal activities. The Australian Youth Survey (AYS) is an important longitudinal data source which overcomes the limitation to some extent and analysis of this data is presented here.

Table 1: Labour market and education participation* of 15 to 19-year-olds 1996, number and proportion of population†

	In the labour force						Not in the labour force		Total	
	Employed full-time		Employed part-time		Unemployed					
	%	No.	%	No.	%	No.	%	No.	%	No.
In education	6	75,700	23	293,300	6	74,100	38	485,300	73	928,400
Not in education	12	155,700	5	67,800	6	78,200	3	41,700	27	343,400
Total	18	231,400	28	361,100	12	152,200	41	527,100	100	1,127,800

* Education participation refers to participation in either full-time or part-time study leading to a recognised educational qualification under the Australian Bureau of Statistics Classification of Qualifications (ABSCQ).

† Estimates have been rounded to nearest hundred. Percentages have been rounded to whole percentages.

Source: Australian Bureau of Statistics, Labour force survey (unpublished data), May 1996.

Table 2: Labour market and education participation of 15 to 19-year-olds 1996, 1995, 1990, proportion of population of age group†

	Males				Females				Persons
	15	16-17	18-19	Total	15	16-17	18-19	Total	Total
1996 population	132300	258900	260000	651200	125000	244000	251600	620700	1217000
Proportion not in education	5%	20%	48%	28%	5%	14%	48%	26%	27%
Proportion neither in education nor in full-time employment	3%*	11%	22%	14%	4%	9%	28%	16%	15%
Employed part-time	1%*	3%	7%	4%	1%*	5%	12%	7%	5%
Unemployed	2%*	6%	12%	8%	2%*	2%	8%	5%	6%
Not in the labour force	1%*	2%	3%	2%	2%*	2%	8%	4%	3%
1995 population	127200	258200	262500	648000	120600	244500	250900	616000	1264000
Proportion not in education	4%*	19%	45%	27%	3%*	17%	50%	28%	27%
Proportion neither in education nor in full-time employment	2%*	11%	19%	13%	3%*	12%	30%	17%	15%
Employed part-time	0%*	3%	5%	4%	1%*	5%	11%	7%	5%
Unemployed	1%*	7%	12%	7%	1%*	5%	11%	7%	7%
Not in the labour force	1%*	2%*	2%	2%	1%*	2%*	7%	4%	3%
1990 population	132700	279700	296400	708800	126000	267800	289700	683700	1392500
Proportion not in education	7%	25%	52%	33%	3%	24%	57%	34%	33%
Proportion neither in education nor in full-time employment	3%	10%	14%	10%	2%*	11%	21%	14%	12%
Employed part-time	1%*	2%	4%	3%	0%*	3%	6%	4%	3%
Unemployed	1%*	6%	8%	6%	1%*	5%	8%	5%	6%
Not in the labour force	1%*	2%	3%	2%	1%*	3%	7%	4%	3*

* These estimates have a standard error of 25 percent or more and hence may be unreliable.

† Estimates of population have been rounded to the nearest hundred. Proportions have been rounded to the nearest percent.

Source: Australian Bureau of Statistics, Labour force survey, May, unpublished data from 1996, 1995 and 1990 surveys

** Estimates of actual numbers are contained in Table A in the Appendix

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Table 3: 15 to 19-year-old DSS recipients by gender, percentage of total, August 1996†

	Number	Percentage of teenage population
1996 Teenage population	**1271800**	**100**
DSS recipients	**130300**	10
Labour market payment recipients	**107700**	9
Other DSS payment recipients	**22600**	2
Independent homeless rate recipients	**9600**	1
1995 Teenage population	**1263900**	**100**
DSS recipients	**134700**	11
Labour market payment recipients	**111800**	9
Other DSS payment recipients	**22900**	2
Independent homeless rate recipients	**9400**	1
1990 Teenage population	**1382300**	**100**
DSS recipients	**111000**	8
Labour market payment recipients	**88100**	6
Other DSS payment recipients	**22900**	2
Independent homeless rate recipients	**2800**	0

† Population estimates and numbers of DSS recipients have been rounded to the nearest hundred. Proportions have been rounded to the nearest percent. As DSS data are point-in-time the figures may reflect seasonal variations.

* Independent homeless rate recipients are a subset of all recipients except pensioners

Source: Unpublished DSS data for August 1996. ABS Labour Force survey

Population estimates of young people in marginal activities

In 1996 there were an estimated 187,700 15 to 19-year-olds who were either:

- employed part-time and not in education;
- unemployed and not in education; or
- neither in the labour force nor in education.

This represented almost 15 percent of the 15 to 19-year-old population.

Table 2 gives more detailed information about this group for the years 1996, 1995 and 1990 by age grouping, type of activity and gender[illegible].

Key features shown in Tables 1 and 2 are:

- An increase in marginal activity over the 1990s with the proportion of young people not in education, training or full-time work increasing from 12 percent in 1990 to 15 percent in 1995 and 1996. In 1996 marginal activity among young males was 14 percent, an increase from 10 percent in 1990. For young females it was 16 percent in 1996 compared with 14 percent in 1990.
- The increase in marginal activity over the period was due to a decline in full-time employment amongst this group and a corresponding increase in part-time work and in unemployment. Over half of males in marginal activities in 1996 were unemployed, one-third in part-time work and the remainder not in the labour force. Of young females in marginal activities in 1996, 42 percent were employed part-time with the remainder fairly evenly split between those who were unemployed and those not in the labour force (or education).
- The increase in marginal activity over the 1990s was not due to lower levels of education and training. Rather the proportion of all 15 to 19-year-olds who were not in education and training declined from 33 percent in 1990 to 27 percent in 1996. However, this decline was not sufficient to make up for the decline in full-time employment over the period.
- The teenagers least likely to be participating in education and training were 18 to 19-year-old females. In 1996 28 percent were neither in education and training nor in full-time employment. This compares with 22 percent for 18 to 19-year-old males despite the higher incidence of unemployment of 18 to 19-year-old males compared with females.

Young people in receipt of Department of Social Security payments

Another indication of the extent in marginal activity by 15 to 19-year-olds are the numbers who receive a DSS payment.

Table 4: Number and proportion of all 15 to 19-year-olds receiving

	Number	Percentage of teenage population
1996 Teenage population	**1271800**	**100**
DSS recipients	130300	10
Labour market payment recipients	107700	9
Other DSS payment recipients	22600	2
Independent homeless rate recipients	9600	1
1995 Teenage population	**1263900**	**100**
DSS recipients	134700	11
Labour market payment recipients	111800	9
Other DSS payment recipients	22900	2
Independent homeless rate recipients	9400	1
1990 Teenage population	**1392300**	**100**
DSS recipients	111000	8
Labour market payment recipients	88100	6
Other DSS payment recipients	22900	2
Independent homeless rate recipients	2800	0

* Estimates of population and numbers of DSS recipients have been rounded to the nearest hundred.

Source: Unpublished DSS data; DSS, *Annual Report 1989-90*, AGPS, Canberra, 1990.

Table 3[11] shows recipients of DSS payments which are labour market-related for August 1996. Most of these apply to unemployed young people-some of whom may also be engaged in part-time work or education and training. It also shows pension and special benefit payments where the recipient is more likely (but not necessarily) to be outside the labour market. The table also gives separate estimates for those who receive an additional independent homeless rate of payment.

Significant features of this table are:

- In 1996, 10 percent of teenagers received a DSS payment.
- The great majority (83 percent) received a labour market-related payment.
- Of those young people receiving a DSS payment, 7 percent received a higher rate due to homelessness.
- There are a number of differences in the type of payments females and males received. Many more young women received a sole parent pension (16 percent of all young female DSS recipients) than men (less than 1 percent). Young men in receipt of DSS payments were more likely to receive labour-market payments than young women.

Table 4[12] shows the number and proportion of young people in receipt of DSS payments for 1996, 1995 and 1990.

- Over the period 1990–96 there was an increase in the number and proportion of young people receiving a DSS payment from 8 percent in 1990 to over 10 percent in 1996. This was associated with an increase in the numbers receiving labour market-related payments from 88,110 in 1990 to 111,793 in 1995 with a slight decline to 107,691 in 1996. While this change mirrors increased general levels of unemployment there was an easing of the income test in September 1995 with the implementation of the Working Nation changes which may have contributed slightly to higher recipient numbers.
- The proportion of young DSS recipients who were in receipt of a pension or special benefit remained relatively stable over the period.
- There was an increase in the number of young DSS recipients receiving the additional homeless rate of payment from 2,759 to 9,602 or from 0.2 percent of all teenagers to 0.7 percent in 1996. This is likely to be associated with an increase in take-up of these higher rates of payment because of raised awareness due to promotion, and expansion and easing of eligibility criteria, rather than an indication of more extensive teenage homelessness.

Table 5: 18 to 19-year-old school leavers engaged in marginal and non-marginal activities, May 1996

	Males	Females	Persons
Left school Year 12			
engaged in marginal activities	18%	18%	18%
not engaged in marginal activities	82%	82%	82%
Total	100%	100%	100%
Left school before year 12			
engaged in marginal activities	33%	58%	44%
not engaged in marginal activities	67%	42%	56%
Total	100%	100	100%

Source: Australian Bureau of Statistics, *Labour Force Survey*, May 1996, unpublished data

Table 6: Characteristics of 19 year olds in 1994 who have been consistently engaged in marginal activities from age 16 years (%)

	Incidence of marginalised activity	Composition of group of people engaged in marginal activities
Gender		
Males	8.8	50.5
Females	9.6	49.5
Maths achievement at age 14		
Very low	21.0	38.5
Low	11.6	29.2
Average	6.2	17.9
High	5.5	10.3
Very high	2.3	4.1
Parents' occupation		
Professional and managerial	3.8	7.1
Clerical, intermediate non-manual	5.8	15.5
Skilled manual	8.5	40.7
Unskilled manual	11.9	36.8
Mother's country of birth		
Australia	9.0	69.4
Other English	9.9	11.7
Non-English	9.6	18.9
Rural or urban		
Rural	9.7	38.8
Metropolitan	8.9	61.2
School type		
Government	10.7	89.0
Catholic	4.8	9.6
Non-Catholic private	2.4	1.4
Year 12 competion or not		
Year 12	6.0	49.5
Early leaver	19.5	50.5

Source: ACER analysis of Australian youth survey data.

The background of young people in marginal activities

There is some evidence that young people engaged in marginal activities are more likely to have experienced some socio-economic disadvantage:

- The Committee on Employment Opportunities[13] suggested that the increased difficulties for young people in obtaining full-time work was experienced more by those with limited education.
- Crooks et al.[14], using work by Cass[15] and McDonald, Brownlee and Greenblat[16] indicated a number of likely socio-economic predictors which are important in understanding the situation of young people engaged in marginal activities. These included non-completion of 12 years of schooling; parents' educational, occupational and labour force status; gender and living arrangements; birthplace; indigenous background; and locality or regional circumstances.
- The South Australia Youth Employment Taskforce, citing evidence from the National Youth Affairs Research Scheme[17] listed similar indicators but also included those living in single households; those living within violent households; those living in rural areas and areas with a dearth of social and economic infrastructure; and state wards and those living in state institutions.

School leaving age

Table 5 shows the much greater likelihood of young people who leave school early being engaged in marginal activities[14]. In 1996 33 percent of 18 to 19-year-old males who left school before Year 12 were engaged in marginal activities in comparison with 18 percent of those who stayed at school until Year 12. More striking was the fact that over half of 18 to 19 year old females who left school early were engaged in marginal activities compared with 18 percent of those who stayed until Year 12.

Socio-economic background and educational achievement

An analysis of the Australian Youth Survey (AYS) data was undertaken by the Australian Council for Educational Research (ACER) for this paper. The AYS, a longitudinal study, surveyed a national sample of 2,128 sixteen-year-olds for the first time in 1991 and 1992. The data presented in Table 6 are based on their situation three years later when the respondents were 19 years of age.

It examines the situation of those young people who appear to have been engaged in marginal activities fairly consistently for the three years: those who, by the age of 19, had not participated in higher education, apprenticeships or training, had been unemployed for more than one-third of their time since leaving school and were unemployed or in part-time work at age 19.

This is a more narrow group than examined so far in this paper at around 9 percent of the population compared with 15 percent in Table 1. It gives an indication of the extent of activity which is likely to have severe longer-term consequences for the individual.

Table 6 indicates that 8.8 percent of the sample of 19-year-old males and 9.6 percent of the sample of 19-year-old females were engaged in marginal activities. It shows, for example, that 21 percent of young people who had very low maths achievement at age 14 were in the marginal category at age 19 whereas only 2.3 percent with very high maths achievement at age 14 were in the marginal category at age 19.

Young people in the marginal category were more likely to:

- have parents' occupation from an unskilled manual background; and
- be an early school leaver.

They were less likely to:

- have high or very high maths achievement at age 14;
- have parents whose occupation was in the professional or managerial areas;
- have attended a Catholic or non-Catholic private school; and
- have completed Year 12.

Indigenous young people

We do not have comparable information on whether indigenous young people are over-represented among those undertaking marginal activities. Figures from The National Aboriginal and Torres Strait Islander Survey: Australia's indigenous youth[14] indicate that they are highly likely to be.

First, school participation rates for indigenous young people are lower than for all Australian young people: for 16-year-olds 57 percent compared with 80 percent, and for 17-year-olds 31 percent compared with 60 percent. Only ten percent of indigenous 15 to 24-year-olds have some form of post-school qualification compared with an estimated 23 percent for all Australian 15 to 24-year-olds.

Second, indigenous young people have lower rates of labour force participation and higher rates of unemployment. In June 1994 the labour force participation rate for indigenous 15 to 19-year-olds was 47 percent compared with 55 percent for all 15 to 19-year-olds. The unemployment rate of indigenous 15 to 19-year-olds was 50 percent compared with 22 percent for all Australian 15 to 19-year-olds in 1994.

Third, young indigenous people are more likely to be in receipt of government income support than other 15 to 19-year-olds, with 40 percent of all indigenous teenagers having government payments as their main source of income in 1994.

Homelessness

Young homeless people constitute

another group of young people who might be expected to be particularly confined to marginalised activities. Several authors have documented the difficulties homeless students have in continuing in education[20].

Homelessness does not equate with leaving home but it is a problem for young people when they leave home prematurely without resources and supports. The Human Rights and Equal Opportunity Commission[21] defined homelessness as a lifestyle which includes transience of shelter, a state of detachment from family and vulnerability to danger, with a conservative estimate of youth homelessness[22] at between 20,000 to 25,000. A later estimate in 1991 by MacKenzie and Chamberlain[23] was between 15,000 to 19,000. In a subsequent study MacKenzie and Chamberlain[24] estimated the number of homeless school students across Australia in one week in 1994 at 10,000 with between 25,000 to 30,000 homeless school students at some time during the year[25].

A number of reviews have concluded that lack of employment opportunities for young people is one of the reasons for youth homelessness[26]. There is also some evidence from a number of smaller studies that young homeless people experience educational and labour market disadvantage. For example:

- according to the Australian Council of Social Service[27] just over one-third of homeless students complete Year 9, 28 percent complete Year 10 and only 4 percent complete Years 11 and 12; and
- two studies of small numbers of homeless young people in Melbourne[28] found unemployment rates of 80 and 87 percent. The Hirst study also found that homeless young people's experience of employment was short-term with the average duration of the longest job being nine months.

Marginal activities

There is little information about the movement over time of young people in and out of marginal activities because of limitations in the nature and way data is collected. The AYS data presented above does suggest both that the group is far from fixed and that a core group is likely to be consistently engaged in marginal activities for some time. There may be considerable movement between the activities presented below.

Unemployment

A number of studies have documented the extent of teenage unemployment and its association with various socio-economic factors. Some of the main findings from these studies include the following.

First, over the past two decades teenagers have had consistently higher rates of unemployment than the national average[29] but the rate of increase in the number of unemployed teenagers has been lower than that for all unemployed people[30]. Teenagers did not necessarily fare worse than adult Australians during the recent recession[31].

Second, 15 to 19-year-olds move in and out of unemployment more than adult Australians[32] and they have shorter durations of unemployment; in June 1997 an average of 24.1 weeks[33]. Longer duration of unemployment is a key factor reducing the probability of exiting from unemployment for teenagers[34]. Other factors which are associated with a lower probability of leaving unemployment include lower educational levels, disability, locality, marital status and type of accommodation[35]. Non-student unemployed young people are more likely to experience long-term unemployment than their student peers[36].

Third, in terms of the backgrounds of unemployed young people, they are more likely to have come from families with a history of unemployment; from families with low income levels and from sole parent families. Young people in insecure and unstable housing, with low levels of education or with a disability are also more likely to experience unemployment as are young people from indigenous backgrounds and those who have recently arrived from non-English speaking countries status. Higher rates of youth unemployment occur in areas outside capital cities, apart from South Australia[37].

Table 7 shows that in May 1996 there were 152,200 unemployed young people aged 15 to 19 years with an unemployment rate of 20 percent. Those young people who were not studying had an unemployment rate of 26 percent while only 17 percent of those engaged in study were unemployed.

Table 8 presents more details of DSS unemployment allowance recipients[38]. Of all teenagers receiving a labour market payment, 93.8 percent are reliant on it for durations of up to one year. While receiving labour market payments, few young people earn additional income from working. Older teenagers, particularly females, are more likely than younger teenagers to earn additional income while receiving a labour market payment.

It also suggests that indigenous Australians are probably noticeably over-represented among the youngest age group and that, people from non-English speaking backgrounds are not. However the absence of population data limits this finding.

Precarious forms of work

Obtaining work experience has been long recognised as important in moving from unemployment to secure employment for young people. However, this may not be an automatic stepping stone for all young people.

Using data from the Australian Youth Survey for the three-year period 1989 to 1991, Flatau and Simpson[39] found that a lack of upward mobility may particularly apply to non-student part-time (and possibly some full-time) employees. Some of the significant findings from their analysis were:

- Most part-time workers were employed casually and 60 to 75 percent of all part-time work for non-students was casual. A significant minority of non-student full-time workers were also casually employed.
- Around 40 percent of part-time workers were under-employed.
- The persistence of part-time employment for non-student part-time young workers. While 21.9 percent of under-employed part-time non-student employees in 1989 moved into full-time jobs in 1990 and 40 percent moved into full-time jobs at some time

Table 7: Unemployment among 15 to 19-year-old students and non-students, May 1996, numbers and rates

	Males			Females			Persons
	15-17	18-19	Total	15-17	18-19	Total	Total
In education							
In the labour force	122,800	86,600	209,400	152,100	81,500	233,600	443,100
Unemployed	23,500	9000	32,500	28,000	13,600	41,600	74,000
Unemployment rate	19%	10%	16%	18%	17%	18%	17%
Not in education							
In the labour force	49,800	116,200	166,000	33,400	102,300	135,700	301,700
Unemployed	16,900	31,900	48,800	8,600	20,800	29,300	78,200
Unemployment rate	34%	27%	29%	26%	20%	22%	26%

Source: Australian Bureau of Statistics, *Labour force survey* May 1996, unpublished data

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Table 5: Selected characteristics of 15 to 19-year-old DSS labour market payment recipients, 1996, number and proportion

	Males			Females			Total
	15	16-17	18-19	15	16-17	18-19	Persons
Total DSS recipients	628	20848	43312	1147	20277	44066	130278
Labour market payment recipients	476	18006	39653	660	15774	33122	107691
Proportion of total DSS recipients	76%	86%	92%	58%	78%	75%	83%
Duration of payment up to one year	476	16388	38017	660	13853	31593	100987
Proportion of labour market payment recipients	100%	91%	96%	100%	88%	95%	94%
No earned income	459	16557	35484	621	13681	26630	93432
Proportion of labour market payment recipients	96%	92%	90%	94%	87%	80%	87%
Birthplace							
Australia-indigenous	43	967	1487	41	882	1078	4498
Proportion of labour market payment recipients	9%	5%	4%	6%	6%	3%	4%
Australia-other	408	15826	34318	596	13923	28880	93951
Proportion of labour market payment recipients	86%	88%	87%	90%	88%	87%	87%
Main English speaking countries	12	562	1556	15	536	1352	4033
Proportion of labour market payment recipients	2%	3%	4%	2%	3%	4%	4%
Non-English speaking countries	13	651	2292	8	433	1812	5209
Proportion of labour market payment recipients	3%	4%	6%	1%	3%	6%	5%

Source: Unpublished DSS data

over the three years, the majority—60 percent—did not obtain full-time work over the three year period.

One important reason for concern that there may not be upwards mobility for a significant number of teenage workers comes from the additional findings of Flatau and Simpson that there was a low incidence of training for non-student teenager workers, both full and part-time. Where non-student workers did obtain training it was more likely to be on-the-job training, less relevant for future employment elsewhere.

Similar conclusions were reached by Wooden[40] when he examined data from the 1993 Survey of Training and Education. He found that both casual and part-time employment were clearly associated with low levels of training, both work-related and vocational. Miller[41] found that the small number of young people in the late 1980s who had persistent low-wage employment were characterised by a 'lack of human capital'—they were early school leavers.

Table 2 provides an estimate of the number of non-student 15 to 19-year-olds employed part-time in May 1996 of 67,800, an increase from 45,700 in 1990. Young women greatly out-number young men with an estimated 41,500 young women in part-time work and not studying in May 1996 compared with 26,300 young men. This group made up 7 percent of all 15 to 19-year-old females and 12 percent of 18 to 19-year-old females in comparison with 4 percent of 15 to 19-year old males and 7 percent of 18 to 19-year-old males.

Young people outside the labour force

Young people who are outside the labour force and not studying may represent the most marginalised group. They have been given little attention.

Some are likely to be teenage sole parents, others have a significant disability, some are in institutions or may be helping other family members. The breakdown of this group is not known.

Hardin and Kapuscinski[42] examined the Australian Youth Survey data-set for the period 1985 to 1991 and found that the proportion of 19-year-olds in the group who were not in the labour market and not studying declined from 4.2 percent to 3.3 percent over the period. Young women were more likely to exit from unemployment to not being in the labour force than young men. ABS estimates (Table 2) show that in 1996 there were 41,700 young people aged 15 to 19 not in the labour market or studying, representing 2 percent of males and 4 percent of females, these proportions being similar to the 1990 estimates. Women aged 18 to 19 years are most likely to be neither studying nor in the labour force (8 percent in 1996 compared with 3 percent of the male group).

This labour force withdrawal by and alienation of some young women was highlighted by Probert with Macdonald[43] after their focus group discussions with a people from a range of backgrounds. They found that a group of young mothers with low education and little labour market experience saw the world of work as hostile and had no plans to re-enter paid employment. Vella[44] discussed the role of the continuing alienation and lack of confidence of some women about work, concluding that this may have influenced their educational aspirations and experiences and their future labour market earnings. Bell, Rimmer and Rimmer[45] who, like Vella, examined the Australian Longitudinal Survey over the period 1985 to 1988 found there was a limited attachment to the labour market of some young women caring for children and highlighted that group as one of the more vulnerable to long-term poverty in the future.

Many young DSS sole parent and disability pensioners may be expected to be outside the labour market and not studying although we cannot assume that they all will be in this situation. One indication that few young pensioners are

Table 9: Young people in institutions*, 1996

	Males				**Females**				**Inst'n share of total**
	15-17	**18-19**	**Total no.**	**% of total**	**15-17**	**18-19**	**Total no.**	**% of total**	
Psychiatric hospitals or institutions	31	68	99	56%	40	38	78	44%	7%
Hostels for the disabled	115	110	225	58%	76	87	163	42%	15%
Hostels for homeless, refuges	237	133	370	56%	196	89	285	44%	25%
Child-care institutions	64	3	67	77%	17	3	20	23%	3%
Other welfare institutions	77	51	128	59%	61	27	88	41%	8%
Prisons, adult corrective institutions	33	561	594	93%	6	38	44	7%	25%
Children's corrective institutions	355	35	390	92%	30	3	33	8%	16%
Total in corrective institutions	*388*	*596*	*984*	*93%*	*36*	*41*	*77*	*7%*	*41%*
Total	**912**	**961**	**1873**	**72%**	**426**	**285**	**711**	**28%**	**100%**

* Includes only those who responded on the census that they were guests, inmates or other residents.
Source: Australian Bureau of Statistics 1997, unpublished data from the 1996 Census.

engaged in labour market activity is that in 1996, 78 percent reported no earned income[46].

While around 25,000 young people received non-labour market-related DSS payments in 1996 this is still considerably less than the 40,000 ABS survey estimate of young people outside the labour market. While the difference may, in part, be due to under-representation of those involved in marginal activities in the ABS surveys[47], and the reliance of many young people on other family members, it could also indicate a considerable group of young people cut off from income and other forms of support.

Some of the young people outside the labour market may be in institutions, although some may still be involved in some form of education and training and it cannot be assumed that all would be outside the labour market.

Table 9 presents 1996 census data for young people aged 15 to 19 years who are in certain institutions.

In 1996 there were 2,584 young people aged 15 to 19 years who responded that they were guests, inmates or other residents of the identified institutions on Census night. Young males were over-represented in all types of institutions, especially in child-care institutions, prisons and children's corrective institutions.

Corrective institutions were responsible for the largest number of young people in institutions (41 percent) followed by hostels for the homeless, refuges category and then by hostels for the disabled.

Considerably more young males aged 15 to 17 years were in the hostels for homeless and refuges category than were young males who were aged 18 to 19 years, however, the reverse was the case for young males in corrective institutions and prisons. Young females showed similar age differentials.

Additional data about young people in corrective institutions and prisons are also collected by the Australian Bureau of Statistics and the Australian Institute of Criminology with 1995 being the most recent year for which full data are available.

In 1995 there were 1,724 young people aged 15 to 19 years in juvenile corrective institutions and prisons, a small decline since 1990 when there were 1,874. The largest age grouping was those aged 18 years and over (1,084 young people in 1995). Young men have much higher rates of incarceration than young women.[48]

The over-representation of Aboriginal and Torres Strait Islander young people in corrective institutions and prisons is well known. In June 1996 indigenous young people made up 40 percent of all 15-year-olds in juvenile corrective institutions; 41 percent of all 16-year-olds; 26 percent of all 17-year-olds; and 18 percent of all 18-year-olds[49].

The level of over-representation of indigenous young people in juvenile corrective institutions is illustrated by the fact that indigenous 15 to 16-year-olds are 26.7 times more likely to be in juvenile corrective institutions than non-indigenous 15 to 16-year-olds. Aboriginal and Torres Strait Islander 17-year-olds are 13.9 times more likely to be in a juvenile corrective institution[50].

Conclusion and discussion

Some of the main findings of this paper are:

- There is a significant minority of young people aged 15 to 19 years engaged in marginal activities and the available longitudinal information from the Australian Youth Survey indicates that around 9 percent may be engaged in such marginal activities for a considerable time, translating into a large number of young people whose future may be very constrained.

- It is a mistake to see marginalisation as only involving unemployment and to see unemployed and employed young people as two distinct groups.
- Young people with lower levels of education, especially early school leavers, are extremely disadvantaged.
- There is a critical absence of information about that very small group (around 3 to 4 percent) of 15 to 19-year-olds who are not studying and not in the labour force.
- The over-representation from families with lower socio-economic status in the marginalised group raises the probability of the perpetuation of inter-generational inequality.

Some of the implications of these findings are:

- The need to minimise early school leaving but at the same time to take early action to ensure that early school leavers have more structured employment and training opportunities.
- This is also related to the importance of school to work transition programs and early intervention in the lives of young unemployed people.
- The need to improve training opportunities for young people in part-time and casual employment which will require an increased understanding of the extent and nature of casual employment itself.
- The need to have a regional focus on the stimulation of employment opportunities and the delivery of labour-market programs. The experience of marginalisation varies according to locality.
- The need to better understand the situation of those 20-40,000 who are not in the labour market and not studying.

Many of these issues relate to changes in the areas of education and training which are discussed in more detail elsewhere in this publication.

Policy responses

In many ways, the profile of this group is predictable given high overall levels of unemployment and Australia's failure to generate sufficient full-time jobs. The overriding imperative is therefore that economic development produce more full-time jobs. However, the problem for many young people is not just that they cannot get a job but that the jobs they do acquire are not taking them very far. This raises a question about the value of policies which attempt to solve youth marginalisation by cutting youth wages. For this reason improvements to access to education and training must continue to be a priority. In particular:

- The extreme labour market and educational disadvantage of young indigenous Australians is disturbing and addressing this should be the highest priority.
- A number of studies have pointed to the important role that school-based early intervention programs can play in assisting young homeless people to complete their education (through in turn reducing their educational and labour market disadvantage as well as in preventing them from moving into a full homeless career)[11]. There should be a greater commitment, more Commonwealth funding and a nation-wide program for school-based early intervention activities.

Income support

The most recent change announced by the Government is the introduction of the Common Youth Allowance in July 1998. While there are benefits in these changes, in that they simplify payments for young people and increase them for young homeless people and some students, there are a number of problems with the Youth Allowance. These include loss of income support for young people aged 16 to 17 years who are not in full-time education and training (with some exceptions) and lower levels of payments for 18 to 19-year-olds who are in families on moderate levels of income (around $30,000 per annum for example).

The Allowance is meant to encourage 16 to 17-year-olds to see that their long-term futures are reliant on their continuing in full-time education and training. However there needs to be a greater range of opportunities to meet the diverse needs of young people, especially those who are very disadvantaged. Therefore the Allowance needs to be accompanied by a greater capacity of schools and training systems to cater for the needs of young people.

Employment assistance

Labour market programs have been the main form of assistance available to unemployed people. They perform important equity and labour supply objectives.

The Brotherhood's own service delivery experience (alongside its research) has identified a number of features of labour market programs which we consider are important for enhancing young people's employment prospects and self-esteem[52]. In summary, these include providing choice, supervision, links to ongoing job opportunities, building upon existing skills and aspirations, accredited and recognised training, adequate income, post-placement assistance and being attuned to the needs of individuals.

In 1996 the Federal Government announced significant restructuring of employment and training for unemployed people and for young people more generally. It was accompanied by a substantial reduction in labour market program expenditure and therefore a large drop in the number of young people for whom assistance could be provided in any one year-a reduction of over 120,000 places. It also removed the Job Compact which provided an offer of a job or work experience place for people unemployed 18 months or longer.

Positive features of the recent changes include the introduction of part-time training arrangements; the introduction of pre-apprenticeship and pre-traineeship accredited training; the incorporation of competency-based training; and a focus on career education, work experience and greater links with industry and employers at school level.

However, there are some risks which include:

- The possible overlooking of very disadvantaged young people through the broadening of eligibility for traineeships and greater control of training arrangements by employers and group training companies.
- A lack of applicability to many young women.
- A lack of integrated assistance to young people who experience multiple barriers to employment.
- Concerns about the adequacy of payment particularly for part-time participants.
- The extent of choice that job seekers will have in terms of level and types of assistance available to them and type of provider.
- The capacity of community sector agencies (especially smaller community-based organisations) to continue to provide a service in the absence of adequate up-front funding. Community-based agencies have been an important avenue of assistance for very disadvantaged job seekers.

A past and ongoing problem is how labour market program outcomes are assessed and paid. If payment is increasingly to be based on a combination of employment placement and the reduction or elimination of income support, this may not encourage labour market programs to contribute sufficiently to the improvement of the long-term futures of young people in marginal activity. As this paper has shown, such young people may not find any job a sufficient pathway to long-term employment security.

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[47] The representativeness of the ABS sample as a whole does not imply representativeness of all sub-groups. The ABS estimates are likely to under-represent more marginal groups such as homeless persons.

[48] Australian Bureau of Statistics, Prisoners in Australia, 1995, Australian Institute of Criminology, Persons in juvenile corrective institutions, various issues, and Australian Institute of Criminology Australian prisoners, various issues.

[49] Australian Institute of Criminology, Persons in juvenile corrective institutions, Australian Institute of Criminology, June 1996, p. 4.

[50] ibid, p. 6.

[51] MacKenzie & Chamberlain 1995, op. cit.; Charman et al., op. cit.; House of Representatives Standing Committee on Community Affairs, A report on aspects of youth homelessness, AGPS, Canberra, 1995.

[52] MacDonald, H 1997, 'Assisting young unemployed people: directions for employment services', Paper presented at the 4th National Conference on Unemployment - Economic Promise and Political Will, University of South Australia, 18-20 June 1997.

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Appendix

Table A: Labour market and education status of 15 to 19-year-olds 1996, 1995 and 1990, number

	Males				Females				Persons
	15	16-17	18-19	Total	15	16-17	18-19	Total	Total
1996 Population	132251	258917	260008	651176	125012	244063	251593	620668	1271844
Number not in education	6148	50844	123760	180752	5928	35217	121537	162682	343434
No. not in education & not in full-time employment	4109*	26196	57602	89907	5361	22799	69638	97798	187705
Employed part-time	740*	7484	18107	26331	734*	11079	29643	41456	67787
Unemployed	2335*	14562	31939	48836	2757*	5805	20781	29343	78179
Not in the labour force	1034*	6150	7557	14741	1871*	5916	19214	27001	41742
1995 Population†	127200	258200	262500	648000	120600	244500	250900	616000	1264000
Number not in education	4729	49719	117021	171469	3451*	41859	126144	171454	342923
No. not in education & not in full-time employment	2353*	29503	50585	82441	3172*	28024	74733	105929	188370
Employed part-time	191*	8343	14147	22681	713*	11826	27888	40427	63108
Unemployed	620*	16776	30207	47603	1580*	11317	28382	41279	88882
Not in the labour force	1543*	4385	6230	12158	878*	4881	18462	24221	36379
1990 Population†	132700	279700	296400	708800	126000	267800	289700	683700	1392500
Number not in education	8693	69270	153518	231481	4034	64004	164462	232500	463981
No. not in education & not in full-time employment	4053	26943	41367	72363	2307*	29426	62033	93766	166129
Employed part-time	1572*	5598	10693	17863	297*	9036	18509	27842	45705
Unemployed	1738*	17221	22409	41368	911*	13244	22957	37112	78480
Not in the labour force	742*	4125	8265	13132	1098*	7146	20568	28812	41944

* These estimates have relative standard errors of 25 percent or more and have a high risk of significant differences existing between the survey estimate and the true value.

† Numbers have been rounded to the nearest hundred (as provided by the ABS).

Source: Australian Bureau of Statistics, *Labour force survey*, May, unpublished data from 1996, 1995 and 1990 surveys.

Table B: 15 to 19-year-old DSS recipients by gender, Australia 1996

	Males	Females	Persons
Total DSS recipients	64764	65542	130306
Breakdown of DSS recipients			
Labour market payments:	58135	49556	107691
Newstart Allowance	11958	10391	22349
Job Search Allowance	27684	22928	50612
Youth Training Allowance	17853	15773	33626
Sickness Allowance	640	464	1104
Other payments:	6629	15986	22615
Sole parent pension	36	10322	10358
Disability support pension	6365	4609	10974
Special Benefit	228	1055	1283
Independent homeless rate recipients*	4399	5203	9602

* Independent homeless rate recipients are a subset of all recipients except pensioners.

Source: Unpublished DSS data

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Table C: Number of 15 to 19-year-olds receiving DSS payments; 1996, 1995 and 1990

	Males 15	Males 16-17	Males 18-19	Females 15	Females 16-17	Females 18-19	Total Persons
1996 Teenage population	132251	258917	260008	125012	244063	251593	1271844
DSS recipients	628	20848	43312	1147	20277	44066	130278
Labour market payment recipients	476	18006	39653	660	15770	33122	107691
Other DSS payments recipients	152	2842	3659	487	4503	10944	22587
Independent homeless rate recipients	474	3822	3	696	4504	3	9602
1995 Teenage population	127200	258200	262500	120600	244500	250900	1263900
DSS recipients	626	21499	43500	1247	21591	46193	134656
Labour market payment recipients	335	18773	39947	481	17000	35257	111793
Other DSS payment recipients	291	2726	3553	766	4591	10936	22863
Independent homeless rate recipients	522	3681	94	797	4234	95	9423
1990 Teenage population	132700	279700	296400	126000	267800	289700	1392300
DSS recipients							110988
Labour market payment recipients				Detailed data not available			88110
Other DSS payment recipients							22878
Independent homeless rate recipients							2759

Source: Unpublished DSS data; ABS population estimates; DSS, *Annual Report 1989-90*, AGPS, Canberra, 1990

Table D: 18 to 19-year-olds receiving DSS payments; 1996, 1995 and 1990

	Males	Females	Persons
Left school Year 12			
Engaged in marginal activities	27200	29500	56701
Not engaged in marginal activities	122900	138400	261249
Total	150100	167900	317950
Left school before Year 12			
Engaged in marginal activities	30400	40100	70491
Not engaged in marginal activities	62400	28500	90913
Total	92800	68600	161404

* Estimates have been rounded to the nearest number

Source: Australian Bureau of Statistics, Labour Force Survey, May 1996, unpublished data.

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Table E: Selected characteristics of DSS recipients by age and gender, Australia 1996

	Males 15	Males 16-17	Males 18-19	Females 15	Females 16-17	Females 18-19	Total Persons
Population estimate	132251	258917	260008	125012	244063	251593	1271844
Total DSS recipients	628	20848	43312	1147	20277	44066	132078
Labour market payments	476	18006	39653	660	15774	33122	107691
Duration of payment up to one year	476	16388	38017	660	13853	31593	100987
No earned income	459	16557	35484	621	13681	26630	93432
Born in Australia:							
Indigenous	43	967	1487	41	882	1078	4498
Other	408	15862	34318	596	13923	28880	93951
Born overseas:							
Main English-speaking countries	12	562	1556	15	536	1352	4033
Non-English speaking countries	13	651	2292	8	433	1812	5209
Other payments	152	2842	3659	487	4503	10944	22587
Duration of payments up to one year	146	1660	616	445	3045	5354	11266
No earned income	150	2113	2380	465	3712	8840	17660
Born in Australia:							
Indigenous	7	55	90	92	421	918	1583
Other	132	2645	3351	371	3779	9150	19428
Born overseas:							
Main English-speaking countries	4	65	96	9	141	447	762
Non-English speaking countries	9	77	125	15	162	426	814
Independent homeless rate recipients	474	3922	3	696	4504	3	9602
Duration of payments up to one year	471	3275	1	685	3654	1	8087
No earned income	461	3734	3	661	4068	3	8930
Born in Australia:							
Indigenous	39	229	0	50	258	0	376
Other	408	3428	3	620	3974	3	8436
Born overseas:							
Main English-speaking countries	11	132	0	17	151	0	311
Non-English speaking countries	16	133	0	9	121	0	279

Source: Unpublished DSS data

Youth Incomes

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There was great diversity in the activities and income levels of 15 to 19 year olds.

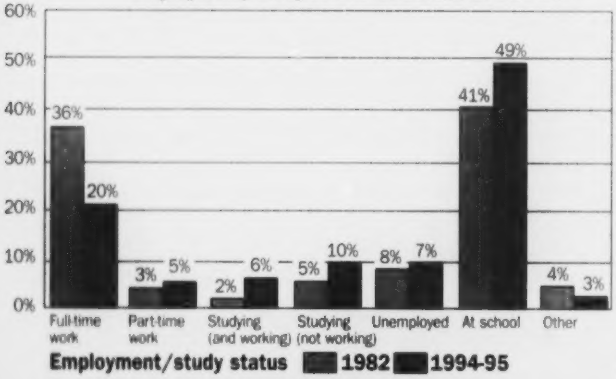
- Many have no income at all and are dependent on their parents. This proportion increased significantly between 1982 and 1994-95.
- The average income of those 15 to 19 year olds receiving some income was $150 a week in 1994-95, and had fallen significantly in real terms since 1982.
- There was a large increase in the proportion of 15 to 19 year olds studying and also a large increase in the proportion of 15 to 19 year old students working.
- Incomes of all part-time workers in the 15 to 19 population (including students) fell by nearly 30 percent between 1982 and 1994-95.
- The incomes of full-time workers also fell, but by much less than part-time workers. There was a big drop in the number of 15 to 19 year olds working full-time.
- Teenage unemployment has increased and the proportion of them with no income has also increased, as the eligibility criteria for government payments have become more stringent. For those unemployed 15 to 19 year olds receiving an income, real income levels have fallen slightly since 1982.

Youth incomes

Collecting and analysing income data about young people is notoriously difficult. Young people tend to be under-represented in sample surveys, particularly in income surveys, which have always tended to have higher non-response rates than the monthly labour force survey. The non-response is also selective; the surveys include more couples and families with children and fewer single people (Landt et al 1994)[1].

More importantly, the incomes of young people tend to fluctuate over the course of a single year. Young people are more likely to move between activities - studying, employment or unemployment - than are those in older age groups. This is because older people tend to have a more stable existence due to the pressures associated with family and career not generally faced by young people. This report examines the incomes of 15 to 19 year olds in 1994-95, using data from the most recent income survey conducted by the Australian Bureau of Statistics for which detailed data are available. The populations referred to when calculating average incomes do not include respondents with zero or negative incomes unless otherwise specified. Where possible comparisons are made with earlier income survey data from 1982[2].

Figure 1: Proportion or 15 to 19 year olds by employment/study status 1982 and 1994 - 95



Source: ABS 1982 and 1994-95 Income Surveys, Unit Record Files

The next section discusses the incomes of all 15 to 19 year olds in receipt of an income. The incomes of young people, as with the rest of the population, vary according to their labour force status, or for young people more specifically, according to their employment/study status. In the sections that follow, young people's incomes are analysed in terms of their employment/study status. Because the circumstances of those 15 to 19 year olds who are still at school are often different to those teenagers who have left school their incomes are examined separately in this paper. The incomes of school students are excluded from the analysis in the other parts of the paper which examine the incomes of those are working, students studying at tertiary institutions and those who are unemployed[3].

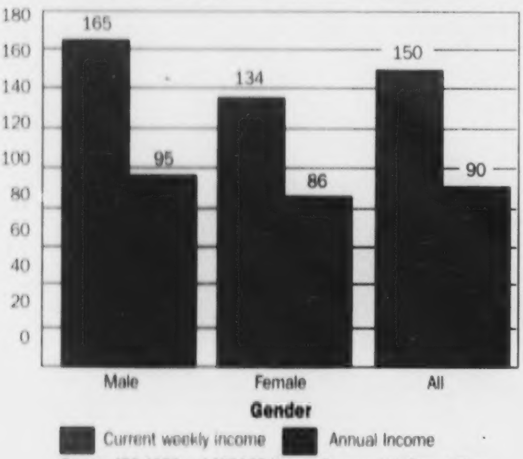
Figure 1 shows that there has been a significant fall in the proportion of teenagers working full-time, while during the same period there has been a rise in the proportion of teenagers working part-time. Structural changes to the labour market and a reassessment by employers and policy makers of the occupational skills required have fundamentally altered the types and expanded the range of decisions young people entering the labour market must make. The increase in the proportion of young people studying at tertiary institutions provides further evidence of the changes that have occurred during the last 15 years. Significantly, the proportion of young people who continue their studies as full-time students after leaving school more than doubled between 1982 and 1994-95.

Incomes

When analysing young people's incomes it is important to capture the diversity of the activities undertaken by 15 to 19 year olds. In this report, we analyse weekly rather than annual incomes, and relate these incomes to the circumstances of young people during that same weekly period. By using current weekly incomes we have sought to avoid some of the difficulties associated with the use of average annual incomes.

Because average annual incomes refer to income received during the previous year, rather than reflecting the situation of the respondents at the time the survey was administered, the relationship between the income and the current labour force status of the respondent is not always clear[4]. Young peoples' labour force activity tends to be characterised by a relatively high degree of fluidity as they move in and out of the labour force. When examining the incomes of young people, in particular, it is important to attempt to account for this fluidity rather than disguise any variance in incomes that may be associated with labour force activity, particularly the move to an independent income or from education to employment. As Figure 2 shows, the annual incomes of both male and female 15 to 19 year olds are much lower than their weekly incomes during the periods in the year they are receiving some income, as the annual incomes include periods when little or no income may have been received.

Figure 2: Average current weekly and annual incomes of 15-19 year olds, by gender, 1994-5



Source: ABS 1982 and 1994-95 Income Surveys, Unit Record Files

Table 1 compares the current labour force status of 15 to 19 year olds with their labour force status six months earlier, and shows significant movements between work, unemployment and study (the majority of those identified in table 1 as 'not in the labour force'). Significantly, 30 percent of all 15-19 year olds changed their main activity at least once in only a six month period.

The overall level of unemployment remained largely unchanged during the period examined. However, only a quarter of those identified as unemployed in the first period were still unemployed six months later. This fluidity between activities is a significant cause of the generally low average incomes of young Australians.

Most 15 to 19 year olds live in multi-person households. Table 2 shows the majority (61%) still live with their parents as a dependent child, many of these teenagers are still at school. There are, in addition, others who are single but not dependent on their parents. Those living at home will often receive support from their parents in the form of cash transfers, while nearly all will receive in-kind transfers in the form of food and accommodation. The full value of these transfers between family members living in the same household is not captured in the income survey and therefore, cannot be included in the analysis presented here. Likewise, others may receive little assistance - and as a result be struggling (at school or elsewhere), but we are unable to separately identify them from young people receiving support that is not disclosed in the income survey data.

The impact of these transfers on consumption patterns and decisions regarding entry into (or exit out of) the labour market is often significant. Being able to enjoy the luxury of having few or no expenses will often negate the need for a regular income. However, those who

Table 1: Current labour force status of 15 to 19 year olds compared to labour force status six months earlier

	Labour force status six months earlier			
	Working	Unemployed	Not in the labour force	All
	% of 15-19 year olds			%
Current labour force status				
Working	34	3	5	41
Unemployed	5	3	3	11
Not in the labour force	10	6	32	48
All	48	12	40	100

Source: ABS 1994-95 Income Survey, Unit Record File.

Table 2: Income characteristics of 15 to 19 year olds by family status, 1994-95

Family type	Proportion of 15-19yr olds(%)	Proportion with zero income(%)	Current weekly income*($)
Dependant child living with parents	61	28	71
Member of couple with dependant children	1	0	181
Member of couple without dependant children	1	0	231
Sole parent with dependant children	1	0	254
Single person	36	4	223
All	100	32	150

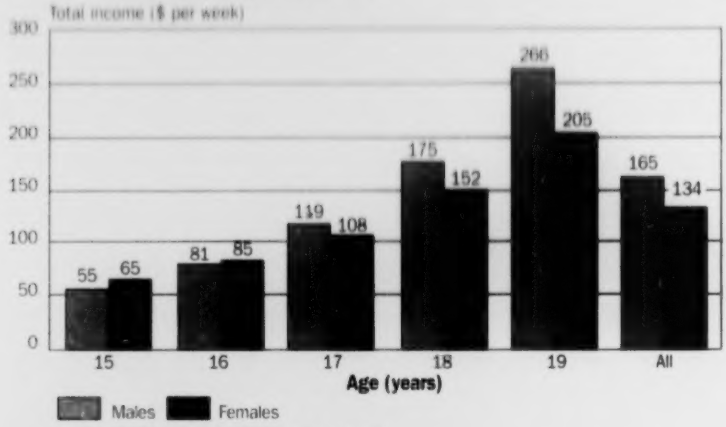
Source: ABS 1994-95 Income Survey, Unit Record File.
*15 to 19 year olds with zero incomes are not included in the average incomes.

receive little assistance (particularly those who are not living as a dependent child with their parents but have, instead, decided to pursue personal and financial independence outside the family home) are confronted with a set of pressures that make the need for regular income imperative. The fact that so many young people continue to live at home with their parents differentiates them from the rest of the population, and further highlights the difficulties that characterise any analysis of the incomes of young people.

Without longitudinal data and/or data that clearly relates the incomes of young people to that of their parents, regardless of whether they are living at home or not, it is difficult to undertake comprehensive analysis of youth incomes in the same way, or in the same detail, as for the rest of the population. Because of the large numbers of young people who receive little or no income, conventional approaches to the analysis of income inequality or poverty have only limited application. By most standards someone with no reported income, or with an income considerably lower than the median income, is regarded as 'poor' or 'in poverty'. To analyse the incomes of young people in isolation from the incomes of their parents would produce misleading results about the number of young people who are poor or below traditional poverty standards, unless the income and resources of the income unit of which they are a part are also analysed and unless the extent of intra income unit transfers is also ascertained. For these reasons many studies of poverty or income distribution exclude young people (particularly those living at home).

Consider, for example, the resources available to a student or an unemployed youth receiving government assistance who has left the security of home to go in search of work in another area to those available to a comparable young person continuing to live at home.

Figure 3: Mean total weekly incomes of 15-19 year olds, receiving income, by age and gender, 1994-5



Source: ABS 1994-95 Income Survey, Unit Record File

Despite receiving little or no regular income from external sources the young person living at home is often able to enjoy the benefits of the greater pool of resources available to the household or income unit of which he or she is a part. Of the 61 percent of 15 to 19 year olds still living at home more than a quarter do not receive any income, while less than 5 percent of those living away from home independently and virtually none of those with children or living as a couple, receive no income.

While living at home generates little need for income, the perception, and the reality, of low incomes for young people, and disincentives in the form of often very limited access to government assistance, must act as a strong inducement for many young people to remain at home and seek support from their parents despite the difficulties this may create for the parent(s) and/or the young person. The policies of government, particularly changes to access to government benefits and AUSTUDY lend weight to the view that this prolonged dependence is something successive governments have been keen to encourage. Simultaneously they have supported the view that the responsibility for the education and welfare of young people should fall on the individual or their family and not the state.

During 1994-95 Australia's 15 to 19 year olds received incomes of $150 a week on average[5]. Young men had higher average incomes than young women ($165 a week compared to $134 a week - see figure 3), and older teenagers had higher weekly incomes than younger. In the 15 to 16 year age group females had higher average incomes than males - this is the only instance where women have higher average incomes than men of the same age. By age 17 average male incomes are higher, as they are for all other age groups across the life cycle.

Of all those aged 15-19 years in 1994-95, 68 percent received some income. However, only 32 percent of 15 year olds received some income, compared to 85 percent of those aged 18-19. There was little difference in the proportions of males and females who received some income. The proportion of 15 to 19 year who had left school[6] and had no income increased from 9 percent to 15 percent between 1982 and 1994-95.

Table 3 compares the incomes of young people according to their employment or education status, and shows the diversity in the levels of income received by those in the 15 to 19 population. Young people who are working (but not studying) have the highest average incomes ($269 a week), followed by those in the 'other' category many of whom are part-time students, and those combining work and full-time study ($142 a week). The income levels of those just studying ($71 a week) and the unemployed ($90 a week) reflect

Table 3: Mean weekly total incomes and proportions of 15 to 19 year olds receiving income, by age group and employment/study status, 1994-95

	At school (not working)		Studying (and working)		Studying		Work only		Unemp'd		Other		Total	
Age	$	%	$	%	$	%	$	%	$	%	$	%	$	%
15	45	8	-	-	10	1	172	1	-	-	-	-	60	9
16-17	62	23	43	2	116	1	195	8	77	2	192	3	99	38
18-19	77	5	78	7	148	7	303	21	97	5	258	7	204	52
All	60	36	71	9	142	9	269	29	90	7	238	10	150	100

Source: ABS 1994-95 Income Survey. Unit Record File.

the comparatively low level of government income support provided to young people and the effect of parental income tests. Additionally, 22 percent of those at school, 5 percent of the unemployed and 4 percent of those studying (but not also working) have no incomes at all.

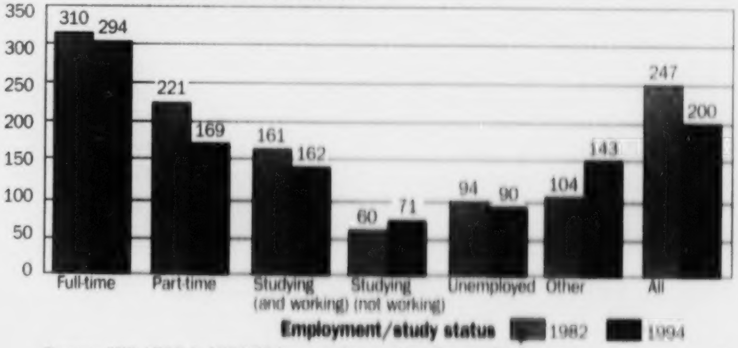
There has been a marked decline in the average real incomes of 15 to 19 year olds (excluding school students) between 1982 and 1994-95. Figure 4 shows that in 1982 the average income of 15 to 19 year olds was $247 a week, by 1994 this had fallen 19 percent to $200. This earnings erosion has impacted most severely on the incomes of part-time workers; the average income of part-time workers in 1994-95 was 24 percent lower than in 1982. The average incomes received by students in higher education who were not also working in 1994-95 were 17 percent higher than those earned by students in 1982, the only case where incomes actually increased over the period (aside from those in the 'other' group).

At school

Around 50 percent of 15 to 19 year olds are still at school, and half of this group (25 percent of the total 15 to 19 population) reported nil incomes. Those who were still at school had the lowest average incomes of all 15 to 19 year olds. This was most true for the younger members of this group where average current weekly incomes (of those reporting some income) were only $50 for females and less than $40 for males.

The vast majority (95%) of those still at school live at home and, in many cases, have little need for an independent income in order to live as their weekly expenses are low and most of their basic needs are paid for by their parents. Despite living at home and often enjoying the support of their parents, around half of those still at school and living at home do earn an income, averaging $60 a week (table 4). The principal source of this income was wages and salaries.

Figure 4: Estimated real average current weekly incomes of 15 to 19 year olds receiving income and not attending school by employment/study status, 1982 and 1994-95



Source: ABS 1982 & 1994-95 Income Survey, Unit Record File.

Table 4: Mean weekly total incomes and proportions of 15 to 19 year olds at school and receiving income and proportions with zero income, by gender and age group, 1994-95

		Proportion with zero income (%)	Proportion of 15 to 19 year olds at school (%)	Current weekly income ($)
Male	15	15	20	38
	16-17	11	27	60
	18-19	1	5	86
	All	27	51	59
Female	15	12	18	50
	16-17	11	27	64
	18-19	0	4	68
	All	23	49	62
All		50	100	60

Source: ABS 1994-95 Income Survey, Unit Record File.

Around a third of all school students had part-time employment and earned on average $62 a week. Female school students with part-time jobs earned slightly more than males and more women than men had jobs (particularly in the younger age groups).

Many of the school students who did not have jobs still received some income - the principal source being AUSTUDY or ABSTUDY. The average incomes of this group, at $16 a week, were significantly lower than for those in employment.

The ABS income surveys did not collect any income information from school students prior to the 1994-95 survey. Thus it was not possible to compare the incomes of school students in 1994-95 with earlier data.

Working

Around a third of the 15 to 19 year old population who have left school are working either full or part-time, and a third of those who are working are also studying. There has been a very large increase in the proportion of the youth population combining work and study since the early eighties (see Figure 1).

Table 5 shows that two thirds of those in employment are employed full-time and one third part-time. A higher proportion of males than females are employed full-time, and a higher proportion of females than males are employed part-time.

Table 5 also shows average wages of those in employment. In 1994-95 wages made up around 95 percent of the total incomes of this group. The table shows that males and females employed full-time had similar average wages ($291 a week for males and $287 a week for females) in 1994-95 but that in 1982 women earned 8 percent less than men aged 15 to 19. As expected, average wages are much higher among the older age groups. For both males and females, the wages and salaries of those in the 18 to 19 year group are significantly higher than those of younger teenagers. In 1994-95 average part-time wages were around two-fifths the level of full-time wages, whereas in 1982 average part-time wages were over half the level of average full-time wages.

At $290 per week in 1994-95 the average full-time wage of 15 to 19 year olds is very low in comparison to the rest of the population. In August 1994 the average weekly earnings (AWE) for all adult persons working full-time was $661 a week - more than double the average wages and salaries of 15 to 19 year olds working full-time.

In 1994-95 young working people tended to be concentrated in service related industries (69%). Around 40 percent of all 15 to 19 year olds were employed in wholesale and retail trade while only 14 percent were employed in manufacturing.

The types of jobs that young people gain as they enter the work force often do not

Table 5: Mean real weekly wages and salaries and proportions of 15 to 19 year olds employed full or part-time, by gender and age group, 1982 and 1994-95

		Full-time				Part-time				Total			
		Mean weekly wages and salaries ($)		Proportion of 15 to 19 year olds working full-time (%)		Mean weekly wages and salaries ($)		Proportion of 15 to 19 year olds working part-time (%)		Mean weekly wages and salaries ($)		Proportion of 15 to 19 year olds working %	
		1982	1994	1982	1994	1982	1994	1982	1994	1982	1994	1982	1994
Male	15	225	171	1	1	-	-	-	-	225	171	1	1
	16-17	249	217	17	10	176	90	1	2	244	197	18	12
	18-19	359	319	31	32	168	123	3	10	342	272	34	43
	All	319	291	49	44	170	118	4	12	308	253	53	56
Female	15	202	228	1	1	111	39	-	-	176	173	1	1
	16-17	234	208	13	7	161	111	2	4	223	172	15	11
	18-19	329	327	25	15	189	133	5	17	306	225	30	32
	All	295	287	39	23	178	127	8	21	276	210	47	44
All		310	290	88	67	174	123	12	33	293	234	100	100

Source: ABS 1994-95 Income Survey, Unit Record File.

require formal qualifications and are casual part-time jobs. Most of those aged 15 to 19 either do not have any post-school qualifications or are in the process of acquiring them. The decline in the availability of full-time jobs and the corresponding increase in the availability of part-time employment opportunities is generally perceived as having negative consequences for young people, in particular for those not studying and who would in earlier times have been able to gain full-time employment. In contrast to the certainty that the inevitability of full-time employment once brought their parents, the labour market experiences of these young people are often characterised by casual insecure forms of employment.

Not only is the employment insecure but many survive on only a part-time wage when they would prefer full-time work despite their living costs (including cost of work costs such as clothing and transport) being the same as those of full-time workers. Part-time employment may also limit young people's attachment to the labour market, and make it harder for them to become permanent participants in the labour force, while opportunities for work-related training are usually more limited for part-time and casual employees.

For many young students income from employment finances their studies. In a period where the access to government assistance, like AUSTUDY, has been tightened as a result of wider and tougher means testing and narrowing eligibility criteria, employment has become a vital source of income for many, and the source of additional stress for those students with heavy study requirements.

Overall, 33 percent of employed 15-19 year olds were working part-time in 1994-95, but in the wholesale and retail trade industries and the accommodation, cafes and restaurants industries 51 percent and 67 percent respectively were employed part-time, compared to only 17 percent in the manufacturing industry.

Figure 5 shows there has been a significant fall in the real wages and salaries of young people between 1982 and 1994-95. This overall fall had a greater impact for those working part-time, with wages and salaries falling by 29 percent'. The average wage of full-time workers aged 15 to 19 in 1994 was 6 percent less than it was in 1982. In contrast, the average incomes of all wage and salary earners aged 15-64 actually increased during the same period. The average real wages of all persons working full-time increased by 6 percent, and wages and salaries of all part-time

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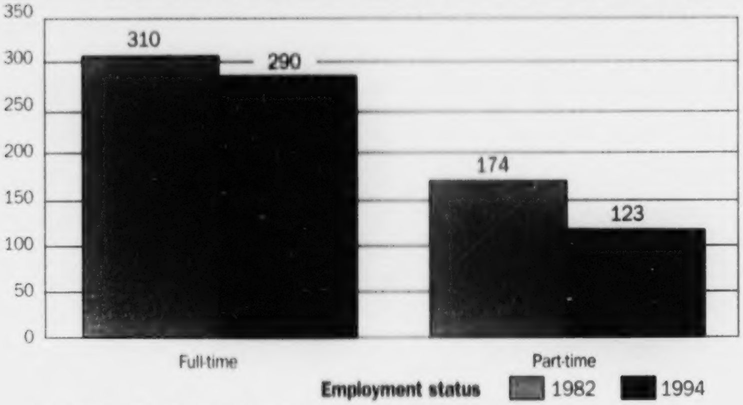
Figure 5: Estimated real average wage and salary incomes of employed 15-19 year olds by employment status 1982 and 1994-95 ($1994-95)



Source: ABS 1982 & 1994-95 Income Surveys, Unit Record Files

workers rose by 1 percent. There is currently much debate about the main reasons for falls in the earnings of young people (see Wooden, 1996). The decrease may reflect changes in the type of employment young people are now engaging in (principally the shift toward employment in the service sector), or changes in hours worked, or changes in the age at which young people commence employment (particularly full-time employment) or possibly a decrease in the bargaining power of young people in the workplace (for instance when competing for part-time jobs with people for whom part-time employment is optional).

It also needs to be noted that the real declines in the wage levels of young people have occurred despite the increase in casual employment - which often involves the cashing out of leave entitlements.

The reduction in the average incomes of teenagers highlights the effect of increased reliance on part-time workers by employers and the negative effect this has had on the earnings of young people.

Studying

This section focuses on the 40 percent of the 15 to 19 year olds who have left school and in 1994-95 were studying at a tertiary institution. Seventy-two percent of all tertiary students were studying full-time and 28 percent were part-time in 1994/95 Around half of all students were also working (Table 3). There has been a massive increase in the number of students studying full-time between 1982 and 1994-5, more than doubling from around 93,000 to 194,000[10].

Table 6 shows that there are significant differences in the main income sources of the full and part-time students. Part-time students are virtually totally reliant on wages for their main source of income, whereas the full-time students have a range of principal income sources.

Because parental support to students living at home is not included in the income survey data, the most common principal income source of full-time students is wages (received by around a third of full-time students), followed by government study assistance and other income sources including assistance from other family members[11]. Over a quarter of the full-time students disclosed no income at all, compared to less than 1 percent of the part-time students.

The proportion of full-time students with no income has marginally decreased since the 1982 income survey. This small change is, however, the net outcome of some large changes in the pattern: the large increase in the proportion of students working and receiving wages, which has outweighed the effects of tighter eligibility conditions imposed on study assistance payments.

Table 6: Principal income sources and proportions of 15 to 19 year olds receiving income in full and part-time study, by age group, 1994-95 (%)

		Zero income	Wages and salaries	AUSTUDY-ABSTUDY	Persons not living in the same house	Other income	Total
Full-time	Male	10	11	6	3	4	34
	Female	10	12	11	1	4	38
	All	19	23	18	4	8	72
Part-time	Male	-	16	-	-	1	17
	Female	1	8	-	-	2	11
	All	1	24	-	-	3	28
All		20	47	18	4	11	100

Source: ABS 1994-95 Income Survey, Unit Record File.

* For those students living at home there was no data recorded about transfers within the household

As outlined earlier the real income levels of students who were also working fell between 1982 and 1994-95. In contrast the incomes of students who were not also working increased in real terms due to real increases in the level of government assistance (although this assistance was rationed more tightly)[12].

Unemployed

Around 12 percent of the 15 to 19 year population covered by the 1994-95 income survey were unemployed (around 148,000 persons). Table 7 shows the average income of those receiving some income was $79 a week. Nearly half of those who were unemployed had no income (47 percent) and were nearly all living at home with their parents, despite their parents having lower average incomes than the families of other 15 to 19 year olds.

The proportion of unemployed 15 to 19 year olds with no income had more than doubled since 1982, when only 22 percent had no income. This decline is primarily due to the more stringent eligibility criteria for unemployment benefits introduced progressively since the mid-1980s. For those living at home the income and assets of their parents were included in assessing their eligibility and the real value of payments fell (Whitlock 1993, p.79). For those living away from home, more stringent assessment of independence from family was applied, which reduced the numbers receiving the payment, but payment rates were increased in real terms (Whitlock op cit). Overall, the real incomes of those unemployed 15 to 19 year olds receiving some income fell by around 5 percent between 1982 and 1994-95.

It needs to be noted that the proportion of the unemployed with no income is partly the result of the transitory nature of unemployment amongst the young, which was described earlier. Some of those with no income are between jobs, others are waiting for social security payments to begin.

Table 7: Mean weekly total incomes and proportions of unemployed 15 to 19 year olds receiving income and proportions with zero income, by age group and whether at home or living away, 1994-95 (%)

		Percentage of unemployed 15 to 19 yr olds (%)	Percentage of zero income (%)	Mean total income of those with some income ($%)
At home	15 years	12.5	12.5	0
	16-17 years	40.1	21.5	67
	18-19 years	40.6	12.7	74
Away from home	15 years	0.0	0.0	-
	16-17 years	0.5	0.0	108
	18-19 years	6.2	0.7	139
All		100.0	47.4	79

Source: ABS 1994-95 Income Survey, Unit Record File.

Conclusion

This report has highlighted the great diversity in activities and income levels of 15 to 19 year olds.

Many have no income at all and are dependent on their parents. This proportion increased significantly between 1982 and 1994-95.

There was a large increase in the proportion studying and also a large increase in the proportion of 15 to 19 year old students working.

Incomes of all part-time workers in the 15 to 19 population (including students) fell by nearly 30 percent between 1982 and 1994-95.

The incomes of full-time workers also fell, but by much less than part-time workers. There was a big drop in the number of 15 to 19 year olds working full-time.

The proportion of unemployed 15 to 19 year olds with no income increased as the eligibility criteria for government payments have become more stringent. For those unemployed 15 to 19 year olds receiving an income, real income levels have fallen slightly since 1982.

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Endnotes

[1] The 1994 ABS Income Survey shows 1,215,144 persons aged 15 to 19. The ABS Estimated Resident Population at June 1994 shows 1,278,842 (which also included people in institutions who are excluded from the Income Survey). The ABS seeks to correct the non-response by reweighting the records according to age, sex and state of residence. It is likely however, that the higher non-response among young people may introduce some non-quantifiable bias into the Income Survey data regardless of the reweighting carried out.

[2] Unfortunately it was not possible to compare the 1994-95 incomes with data from the 1990 Income Survey, as it was not possible to isolate 15 to 19 year olds in the 1990 data. In the 1982 Income Survey income data for school students was not collected. It needs to be noted that another difference between the current weekly income data for 1982 and 1994/95 is that the 1982 current weekly incomes were collected in the December quarter, whereas the 1994/95 current weekly incomes were collected throughout the year.

[3] There is some overlap between the populations of 15 to 19 year olds who are working and those studying at a tertiary institution where people were studying and working during the reference week. In the Income Survey tertiary education refers to any educational institution offering post-school courses (including TAFE).

[4] No detailed information is collected about changes in the study or labour force status of the respondent during the previous twelve months.

[5] The average incomes exclude zero and negative incomes.

[6] As no income information was collected from school students in 1982, they are not included in this comparison.

[7] These records were not included when calculating the average incomes shown in the table.

[8] Income values for 1982 have been converted to 1994 dollars.

[9] Figure 5 refers to average weekly income from wages and salaries, the data in figure 4 refers to average current weekly income from all sources.

[10] Part-time study was not identified in the 1982 income survey.

[11] This is only recorded on the income survey data for those students living away from home.

[12] In real terms there was an increase in the potential amount of income assistance provided to full-time students between 1982 and 1994. In 1982 the maximum weekly rates were $60 (in 1994 dollars) for those living at home and $94 (in 1994 dollars) for those living independently. In 1994 the maximum standard rate for dependent students aged under 18 was $66.15 per week or $109.20 for those living away. For those aged 18 or more the maximum standard rates in 1994 were $79.55 at home or $120.75 for those living away from home.

Expenditure on education and training:

estimates by sector and course

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With others he undertook a review of statistical data for research on VET and an analysis of the costs of the Victorian Certificate of Education and school VET programs in Victoria.

This paper provides a range of data on expenditure to contribute to the debate on the size and shape of funding of education and training. The estimates are subject to substantial revision in the data and method of analysis.

- Data are presented on aggregate spending in Australia but the main attention is given to estimates of spending per student in 1996 in the main sectors of public education. These data are used to calculate the approximate public expenditures on persons who follow particular education pathways.
- A student who leaves a government school at the end of junior secondary school will have had about $55,000 of public outlays on his or her education. The figure grows to over $70,000 for someone who stays to the end of secondary school. In addition AUSTUDY payments are made to eligible students aged 16 or over.
- About $2,100 government funds were spent on the training in a traineeship in 1996. An apprenticeship in an engineering area may have cost about $13,500 in public funds for the three years of the off-the-job component. Employer subsidies were additional to these costs.
- A three year Arts degree involved government outlay of $25,000, a four year honours science degree about $55,000 and a six year medical degree over $100,000.
- HECS at the 1997 rates should recover about half the public outlays for Law and Business degrees but a smaller proportion for courses such as medicine.
- We need to be very careful in comparisons across courses and sectors. The data are not fully comparable. More important, schools, TAFE and universities still have different functions. This may mean different requirements for class contact, class size and expenditures.

Expenditure on education and training: estimates by sector and course

The provision of education and training for young Australians makes a major demand on the nation's resources. Public and private outlays on education and training make up five and a half percent of the Gross Domestic Product (GDP). Most of this goes on young people. The questions that arise are: is the provision large enough given our current needs; if not, how can it be increased; is the distribution of resources equitable; is the distribution allocated for maximum effect across the various levels and fields of study?

There is no one answer to any of these questions. What this paper is intended to do is to present data on the current provision to provide a context for more informed judgement on the big questions.

First the paper provides an overview of aggregate expenditures on education and training and structured training by employers. Second it explores the expenditures allocated to various sectors and fields of education and training. Third it provides some illustrative examples of spending on young people in various pathways.

Table 1: Government and Private Outlays on Education, $billion, Australia

	1989-90	1995-96
Private expenditure	**4.3**	6.5
Net private expenditure not financed by government	**1.9**	2.9
Government final expenditure	**13.3**	17.7
Government outlay	**17.2**	23.8
Total Government and private outlays	**19.1**	26.7
Government outlay as % of GDP	***4.7%***	*4.9%*
Net private as % of GDP	***0.5%***	*0.6%*
Total outlays as % of GDP	***5.2%***	*5.5%*

Source: ABS Cat No 5510.0

Notes: Government final expenditures are the purchase of goods and services for education purposes expenditures such as salaries of teachers and construction of schools. Government outlay is a broader concept term and also includes student benefits, grants to non-government institutions, net increase in HECS debt. Net Private outlay is private expenditures on education of which the main element is tuition fees. Private outlay does not include expenditures on student living expenses.

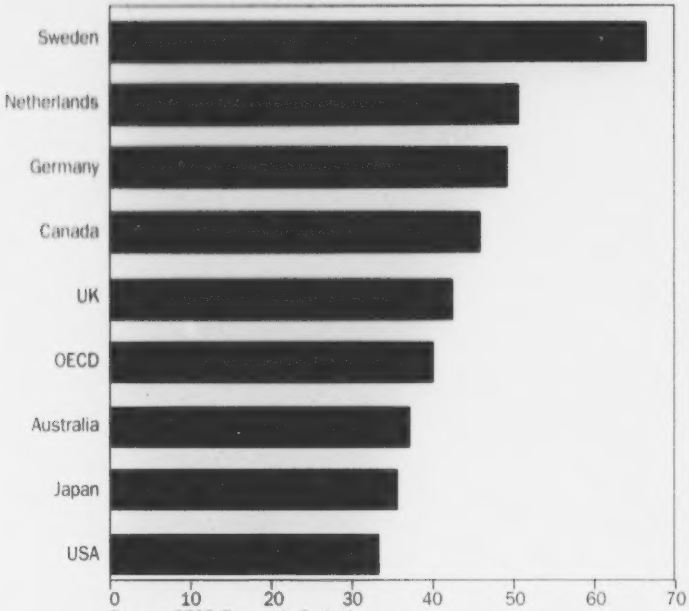
Warning

The paper represents work in progress. In several cases the estimates presented are subject to revision both in the basic data and the method of analysis. Many of the estimates are for average outlays and there is wide variation around the average for reasons of location or mode of delivery or size of the group to be taught. While attempts have been made to ensure comparability the scope of the data varies across sectors. The purposes of the education sectors also vary as do the needs of their students for intensive instruction or self-directed learning. The estimates are presented as a basis for further investigation.

Aggregate expenditures

This section gives a brief overview of public and private expenditures on education and training. Table 1 shows outlays on the formal education system. They have risen from to 5.2 percent of GDP to 5.5 percent in the six years to 1995-96. Proportionately the increase is largest in private expenditures but nearly 90 percent of outlays are still financed by governments. The outlays include direct expenditure on education and training by governments and by persons or organisations in the private sector. Part of the private expenditure is financed by government grants or loans (including the Higher Education Contribution Scheme (HECS). Outlays also include the provision of assistance to students for living expenses, such as AUSTUDY and ABSTUDY. Education outlays considered in is section do not include the support of the unemployed or the subsidy given to employers of apprentices and trainees.

Figure 1: General government outlays, % of GDP, 1995



Source: OECD Economic Outlook

Table 2: Government outlays on education, $billion, Australia 1989-90 and 1995-96

	1989-90	1995-96	%increase in nominal prices	%increase in constant prices
Schools				
Consumption	7.0	9.0	29	14
Capital	0.6	0.6	0	-12
Student benefits	0.5	0.7	40	24
Other	1.8	2.8	54	36
Total schools	10.0	13.2	32	17
TAFE				
Consumption	1.4	2.0	38	22
Capital	0.3	0.3	1	-11
Student benefits	0.1	0.3	247	135
Other	0.0	0.1	220	183
Total TAFE	1.9	2.6	37	21
Universities				
Consumption	2.5	4.0	62	43
Capital	0.3	0.3	-12	-22
Student benefits	0.5	0.9	87	65
Other	0.4	0.6	41	25
Total Universities	3.6	5.7	57	39
All sectors (a)				
Consumption (ie recurrent)	12.0	16.4	37	21
Capital	1.3	1.2	-4	-15
Student benefits	1.5	2.5	65	46
Other	2.4	3.6	49	32
Total all sectors (a)	17.2	23.8	38	22
Education outlays as % of GDP	4.7%	4.9%		

Source: ABS Cat No.5510.0

a) Total government education outlays also include pre-school, transport and some other expenditures not shown in this table. Constant price estimates using the deflator for the non-farm GDP increased by 13.1%. Consumption is final expenditure by governments for recurrent purposes such as payment of teachers' salaries. Capital is the purchase of new fixed assets such as buildings plus net expenditure on second hand fixed assets. Student benefits are financial assistance to students such as AUSTUDY.
Other includes payments to the private sector including funding of the HECS.

Figures 1 and 2 show Australia's expenditures in comparison to selected OECD countries. The warning on comparisons is even stronger for international data.

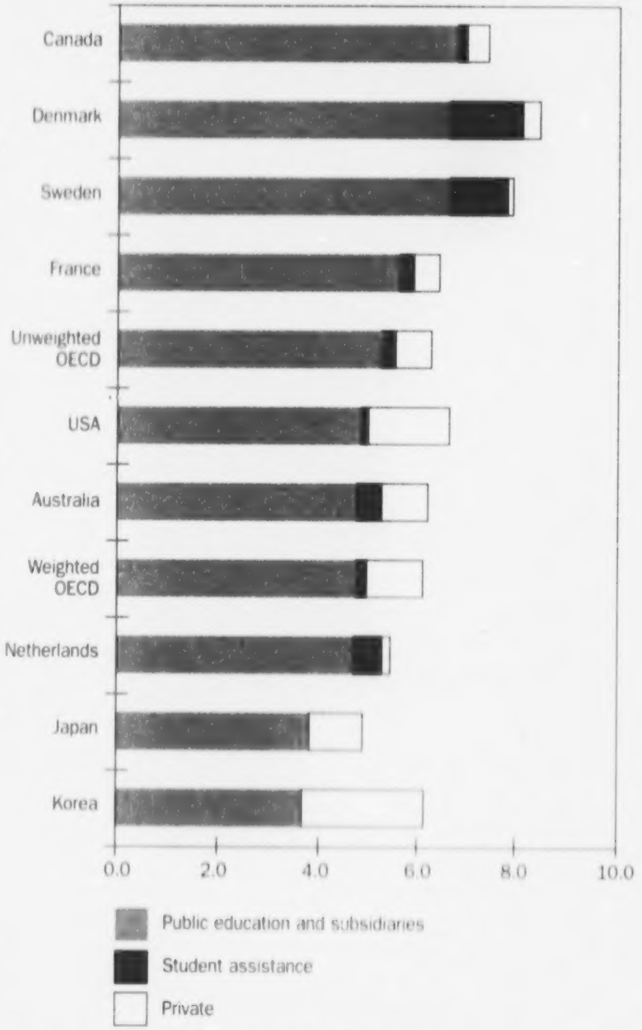
Figure 1 shows that the overall level of outlays on all government activities, including welfare, health and defence as well as education, is low in Australia. Only Japan and the USA have relatively lower public outlays. A major reason for this is that Australia targets social welfare payments on low income groups and hence spend a significantly lower proportion of GDP on pensions and benefits than most European countries.

Figure 2 shows public expenditure on education (which includes subsidies to private institutions), public assistance to students and private expenditures on education. Figure 2 ranks the countries by their public expenditures on education. There are notable differences: Korea, USA and Japan rank high on private expenditure. Australia is ranked in the middle on public expenditure and on outlays on student assistance but it also now has relatively substantial private expenditure. The European countries tend to have high public expenditure and high student assistance and low private expenditure.

Table 2 shows the distribution of government outlays across the major sectors of the education system in Australia. In 1995-96 about 55 percent of outlays related to schools, 24 percent to universities and 11 percent to TAFE. School transport and pre-school outlays are among expenditures which are not shown in the table. Student benefits, which are included in each of the sectors make up about 10 percent of all outlays and grew considerably in the period from 1989-90. Capital expenditures fell in this period.

The expenditures can only be very roughly related to the enrolment data shown in Table 3. This is because of the differences in the proportion of enrolments that are full-time across the sectors and because of major changes to the data collection especially for vocational education and training in recent years. There is also a need for some caution even in comparing school and university enrolment increases with real increases in expenditure since the

Figure 2: Public expenditure on education, student assistance and private expenditure % of GDP, selected OECD countries 1994



Source: OECD Education at a Glance, 1997
Weighted OECD means the average for the OECD treated as a single entity (and is therefore heavily influenced by the values for the US and Japan). Unweighted OECD is the simple average of the country values on the indicator. OECD does not report any data for Japan and Korea for student assistance.

Table 3: Students and clients in education and training, '000, Australia, 1990 and 1996

	School to year 10	School years 11 & 12	Higher education	VET	Recreation Leisure etc	Other*	Total
1990	2665	376	485	967	539	151	5184
1996	2772	371	634	1355	390	204	5726

Source: ABS, Cat No 4221.0, Cat No 6227.0, DEETYA (1997), NCVER (1997).
Notes: *Statistics from ABS survey data: changes in collections affect data from 1993. VET data relate to students in streams from 2100 to 4500 enrolled at any time in the year. A new system of VET data collection was introduced for 1994 with further changes in 1995 and 1996. na: not available. VET refers to enrolments in streams 2000 to 4500 which are called vocational courses. Recreation, Leisure etc refers to enrolments in stream 1000 which are usually very short courses, largely funded by fees.

Table 4: Wage and Salary Earners: Training in Australia, 1989 and 1993

	1989				1993			
	Aged 15-19		Aged 15-64		Aged 15-19		Aged 15-64	
	'000	per cent	'000	percent	'000	per cent	'000	percent
Studied	338	54	1124	17	271	57	1316	19
In-house training	147	23	2338	35	65	14	2214	31
External training	35	6	658	10	27	6	836	12
Total study or training	411	65	3205	48	303	63	3324	47
Total wage & salary earners	629	100	6705	100	479	100	7079	100

Source: ABS, Cat No 6278.0
Notes: Persons can undertake more than one type of study or training

price index available to deflate expenditures may not exactly reflect cost changes in education.

Tables 4 and 5 are included to indicate the extent of structured training outside the formal education system. Table 5 shows that in the September quarter in 1996 employers reported spending over $1,180 million, or about $4,700 million on an annual basis. About half of this expenditure is for the wages and salaries of the employees in training, but the remaining outlays on the provision of training are still sizeable compared with the $2,600 million public expenditure on TAFE shown in Table 2. However, while most of the outlays in the education sector are for young people, only a small part of the employers' expenditures are for young people. This is indicated in

Table 5: Employer Expenditure on Structured Training, Australia 1990 and 1996 July to September

		Employer size			
		1-19 employees	20-99	100 or more	All
Total expenditure $million	1990	79	117	747	943
	1996	115	168	895	1179
% of gross wages and salaries	1990	1.4%	1.9%	3.0%	2.6%
	1996	1.2%	1.9%	3.2%	2.5%
Training per employee - hours	1990	4.0	4.1	7.1	5.9
	1996	2.4	3.8	6.5	4.9
% employers providing training	1990	19%	64%	94%	24%
	1996	13%	51%	88%	18%
For *Employers reporting Expenditure* hours per employee	1990	13	6	7	7
	1996est	12	7	7	7
Public Sector % gross wages	1996	0.8%	2.9%	3.2%	3.2%
Private Sector % Goss Wages	1996	1.2%	1.9%	3.2%	2.3%

Source: ABS, Cat No 6353.0
Structured training is all training activities which have a predetermined plan and format designed to develop employment-related skills and competencies.

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Table 4 where it is shown that relatively few 15-19 year olds received in-house training.

Tables 4 and 5 also suggest that employer provided training has not kept pace with the growth of public and private expenditures on the education system. Table 2 showed that public expenditures had grown by nearly 40 percent in nominal terms (22 percent in real terms) in the six years to 1995-96. Table 5 shows only a 25 percent increase in nominal employer expenditures. The hours of training provided and the proportion of wages and salaries devoted to training had fallen. The proportion of employees provided with in-house training fell from 1989 to 1993, as shown in Table 4.

Costs per student

The aggregate expenditures and enrolment data give only a rough impression on the allocations within education and training. Some more detailed data are available on expenditures though the data are not fully comparable across the sectors. The focus is on the government sectors with examples for the main levels and fields. There is no explicit consideration of expenditure on those with special needs, other than the main form of assistance to low income students. The estimates reported are averages and there is considerable variation about those averages for a number of reasons including the size of the institution and the size of the teaching groups (Anderson 1997, McKenzie 1995).

Table 6 shows estimates of the average government expenditure per student in government schools. It is worth remembering that there is variation across States and Territories and that the estimate of the relative cost of senior secondary compared to junior secondary is less exact than the broader primary/secondary relativities. Average total expenditures at primary level are estimated at $4750 per student in 1995-96, $6024 at junior secondary and $8024 at senior secondary. Lower estimates, which exclude outlays on buildings and grounds and superannuation, are also shown.

There are no estimates here on variation in costs among different types of programs in secondary education. Direct teacher costs do vary across learning areas (Shah 1998). Vocational programs in schools, where they involve industry placements, give rise to additional costs of coordination (Bluer et al 1997).

The discussion is concentrated on the public sector but, for rough comparison, the outlays in 1995 in non-government schools are shown in Table 7. The average expenditures per student of Catholic schools are lower than those of government schools. Expenditures in independent secondary schools appear to be higher than in government

Table 6: Public expenditure on government schools, $ per student, Australia 1995-96

	Primary	All secondary	Total	Junior secondary	Senior secondary
Expenditure per student including superannuation and building and grounds	4750	6589	5456	6024	8045
Less					
Superannuation	340	479	393	432	599
Buildings and grounds	265	361	302	361	361
Expenditure per student excluding superannuation and buildings and grounds	4145	5749	4761	5230	7086

Source: Derived from data in MCEETYA (1997)
Note: Excludes payroll tax. Estimates for superannuation are imputed for some States/Territories

Table 7: Expenditure per student in non-government schools, $, Australia 1995

	Catholic	Independant
Income		
Total private	1255	4534
Total Government	3168	2291
States	954	844
Commonwealth	2214	1447
Total Income	4423	6825
Expenditure		
Recurrent Expenditure	3926	5822
Capital Expenditure	511	1274
Total Expenditure	4437	7157
Primary schools	3418	4488
Combined primary-secondary	4437	7452
Secondary schools	5690	8124

Source: MCEETYA (1997a)
Note that expenditures include capital expenditure and salary related payments eg superannuation, and they exclude payroll tax

schools. On average over 70 percent of the expenditures in Catholic schools are financed by governments and about a third of expenditures in independent schools.

Public expenditures on university education are shown in Table 8. The estimated government expenditure actual per equivalent full-time student in 1996 was around $12,500. This included payroll tax and some specific research expenditures which are deducted in Table 8 to give a figure of a little under $11,000 per student.

Most 'teaching and research staff' in universities are expected to devote a proportion of their work time to research. No deduction is made for this in Table 8. Estimates of research expenditures in higher education organisations by the ABS (Cat No 8111.0) and the Industry Commission (1997) suggest a greater sum could be considered as devoted to research than the amounts identified in Table 8.

University grants were reviewed some years ago to ensure they roughly complied with the allocation that would result from applying a relative funding model (see Baldwin 1990). Estimates based on an approximate application of this model to enrolments by level and broad field of study have been made and are shown in Table 8.

Gross grants per annum per equivalent full-time student unit (EFTSU) were nearly $12,500, but this figure includes payroll tax and expenditures earmarked as research. Excluding these, the estimated outlay per full-time student is a little under $11,000 per annum. Undergraduate outlays are estimated at $10,000 per full-time student.

Estimates for expenditure per student by broad field of study are also shown based on the application of relative funding weights. The resulting estimates put the average cost per undergraduate year for medicine at around $17,000, $14,000 for Science, for Arts around $8,300 and for Business and Law about $6,400. It is important to remember that the estimates roughly reflect the way the funds are allocated to the universities and that the internal allocation may vary at the discretion of each university.

The average outlay of $10,000 per annum is higher than the estimated cost per senior secondary student. The estimate for Arts per annum is roughly comparable with the average cost of senior secondary education. The estimate for Business is less, and for Science and Medicine a great deal higher. As indicated in the initial warning, we should be very wary in drawing implications from these data, not only because of data problems but also because the objectives of the educational programs across the sectors

Table 8: Unit costs per annum in higher education: broad approximations, Australia 1996

		$ per EFTSU
DEETYA grants per actual EFTSU		12465
Research outlays		897
Research Quantum		508
Payroll tax, estimate		159
Average cost excluding specific research funds and payroll tax		10901
Average undergraduate cost @ .92 average cost		10029
Average undergraduate cost by field of study	***Relative Weight***	
Business, Law	0.64	6388
Arts	0.83	8304
Science	1.40	14053
Medicine	1.72	17247

Source: Estimates based on data from AVCC and DEETYA; for DEETYA's estimates see West (1997). Estimates include capital outlays of approximately 5% of total outlays or on average about $675 per EFTSU Relative costs for undergraduates and fields of study based on relative funding model (Baldwin 1990). Note that while university funding was adjusted in line with the relative funding model in the early 1990s the model is not used in annual adjustments to funds and internal allocation is a matter for universities. EFTSU is equivalent full-time student unit.

may be different and the students they provide for may have varying needs and capacities.

ANTA (1997) estimated the average cost of a full-time equivalent student in VET as $8,000. Table 9 provides some estimates for particular vocational education and training courses. The estimates are based on the recurrent unit cost per annual curriculum hour which was estimated at $11.1 for 1996. The estimate excludes capital costs and superannuation charges and includes payroll tax for those States and Territories where it is charged to State institutions.

Examples are given for the approximate public cost of selected courses based on cost relativities and the number of nominal curriculum hours involved. Most VET students study only part-time and examples are given for courses such as a Certificate in Sales which requires a nominal 290 hours. This is estimated to cost about $3000 in public funds. Traineeships, which in 1996 were usually for 390 hours were funded at a special rate of $2,100. Public expenditure for the off-the-job training of an apprenticeship in an Engineering area could cost $4,500 per annum for three years or a total about $13,500. The public cost of an advanced diploma course in Accounting could approximate $11,800 for the two year course.

Table 9 also shows the main form of employer subsidy for apprentices and the main subsidy for traineeships in 1996. In 1996 the subsidy to apprentices over the life of s successful apprenticeship was $4,000 (after the fourth year) and the one year subsidy for trainees was $1,500.

Full-time senior school students, VET and university students may be legible to receive student assistance such as AUSTUDY. The rates for 1996 are shown in Table 10. Students from low income homes could receive an annual allowance of about $3,700 at home at age 16 and 17. At ages 18 and over the standard rate was about $4,400 and the away-from-home or independent rate was close to $6,700. The maximum rate paid to unemployed persons is the same as AUSTUDY for teenagers, though there was a higher rate for persons 21 and over.

TAFE courses involve small fees, usually not exceeding $1 per course hour, and in some cases capped, eg at $500 per annum in Victoria. Students from low income background, eg with a health card, are exempt. There is considerable variation in the extent to which additional charges are made for materials for particular courses.

Table 9: Illustrative public outlays on selected VET programs per student, $, Australia 1996, Australia 1996

Selected VET programs	Number of years	Hours per year	Total course hours	Cost relativity	Unit cost per annual curriculum hour	Total cost	Commonwealth subsidy to employer	Total public outlay
Advanced Diploma Accounting (post year 12)	2	675	1350	0.79	8.8	11838	na	11838
Diploma in Banking and Finance	1.5	667	1000	0.68	7.5	7548	na	7548
'Engineering' Apprenticeship*	4*	320	960	1.28	14.2	13640	4000	17640
Certificate in Sales	1	290	290	0.94	10.4	3026	na	3026
Traineeship	1	390	390	na	5.4	2106	1500	3606

Source: Derived from data in ANTA (1997) and information from State institutions.
The average Australia recurrent expenditure per annual curriculum hour in 1996 was $11.1. This estimate excludes capital outlays and outlays for superannuation. It includes payroll tax, but this is not charged on public sector providers in some States/Territories. na: not applicable. Some further adjustments are therefore needed to provide the data on a similar basis for schools and universities where the estimates include capital costs and superannuation. *Apprenticeship is for four years but attendance at TAFE or other provider is usually for three years.

Fees are often charged in government schools though the fees are usually smaller than in TAFE and are voluntary in that a student is not denied enrolment by a failure to pay. In the case of private schools, the private sources, mainly fees, cover 30 percent of the costs in Catholic schools and on average nearly 70 percent of the costs of independent schools. Fees in Catholic secondary schools are usually below $2,000 per annum. In independent schools there is a wider range with the higher cost schools having secondary level fees of around $9000 per annum.

In universities, HECS enables the Commonwealth to recoup a rising share of the outlays. HECS is a deferred payment scheme which involves repayments adjusted for inflation but with no charge for interest. Students who pay up-front receive a 25 percent discount. This discount probably underestimates the average value of the interest subsidy. Because repayments of HECS are income contingent, about 15 percent of HECS was not expected to be recovered under the conditions applying in 1996.

In 1996 the rate for HECS was $2450 for a full-year course. We could assume that, because of the waiver to repayment for low income recipients and because of the interest subsidy, the government was likely to recover in effect 60 percent of its outlay. In 1996 the net recovery could be put at about $1500 per annum which was about 25 percent of the costs estimated here for Business or Law and less than 10 percent of the costs for medicine.

The HECS rates were increased in 1997 and varied by discipline to $3,300 eg for Arts, and Education, $4,700 for Business, Science and 'Engineering' and

Table 10: AUSTUDY and Job Search Allowance (JSA) maximum benefits, Australia 1996

	under 18			18 and over				
	standard rate	away indep rate	with partner etc	standard rate	away indep rate	AUSTUDY 22-24 at home	with partner etc	JSA 21 & over
fortnight	**141**	**232**	**281**	**169.1**	**257.7**	**217**	**281**	**317.7**
year	**3665**	**6051**	**7331**	**4408**	**6692**	**5649**	**7331**	**8256**

Source: DEETYA
Away/indep means away from home or independant rate. JSA is Job Search Allowance.

Table 11: Summary of examples of public outlays and recoveries

	Total Public$ for whole course	Total maximum AUSTUDY under 18 *standard*	Total maximum AUSTUDY 18+ *standard*	Employer subsidy	Recovery of 60% of HECS at 1996 rates**	Recovery of 65% of HECS at 1997 rates
Government schools						
Primary schooling	33250	na	na	na	na	na
Junior secondary	21686	na	na	na	na	na
Senior secondary	16090	7330	•	na	na	na
University						
Business	19164	•	13224	na	4410	9165
Arts	24912	•	13224	na	4410	6435
Science honours	56212	•	17634	na	5880	12200
Medicine	103482	•	26451	na	8820	21450
VET						
Advanced Diploma Accounting	11838	•	8817	na	na	na
Diploma in Banking & Finance	7552	•	6613	na	na	na
Certificate in Sales	3026	na	na	na	na	na
'Engineering' Apprenticeship	13640	na	na	4000	na	na
Traineeship	2106	na	na	1500	na	na

See appendix for more detail. Note that this table does not show private paid to government schools and to VET
•University students faced HECS in 1996 of $2.450. Recovery can be considered at about 60%: up-front discounts or interest subsidy accounts for 25% and about 15% was not expected to be recovered under the conditions applying in 1996. Charges and recovery rates rose in 1997.

$5,500 eg for Medicine and Law. The income at which HECS was to be repaid was substantially lowered. If we now assume a net recovery rate of 65 percent then Law students on average contribute about $3,600 per annum - over half their course costs - and Business students about $3,000, approaching 50 percent of annual course costs.

Scenarios

Table 11 draws on the estimates in the previous section to show how much is spent on a number of different courses. For example a student who completed only junior secondary schooling would, at 1996 prices, have a public outlay of $55,000 spent on his or her schooling. If he or she completed senior secondary then the total would have grown to $71,000. If the student were eligible for AUSTUDY and assuming they were aged under 18, the total public outlay would increase to about $78,000 by the end of secondary school.

Table 11 includes examples for expenditure on university courses. It shows expenditures of: $19,000 for a three year Business course, $25,000 for a three year Arts course, over $56,000 for a four year honours Science course and over $100,000 for a six year degree in Medicine. AUSTUDY (shown only at the standard rate) adds to the government outlays for low income or independent students.

There is an offset to the Commonwealth's higher education outlays through HECS. The estimated real recovery of HECS debt is shown. At the new rates for 1997 the estimated real recovery of HECS debt is approximately $6,000 for a three year Arts degree, $9,000 for Business students and $21,000 for a six year course in Medicine. (More detailed estimates would vary the recovery rates somewhat across the various courses).

The estimates of public outlay for VET courses range from $2,100 for traineeships in 1996 to about $12,000 for an advanced diploma in Accounting to $13,500 for an 'Engineering' apprenticeship. A full-time student is eligible for AUSTUDY but apprentices and trainees are not. Their employers at 1996 rates received a total subsidy of $4,000 for apprentices and $1,500 for trainees. There were also schemes for the unemployed that involved additional support.

The examples in Table 11 are for the specified length of the courses. Quite large numbers of students take longer than minimum time and about a third of university students withdraw before completion. Some later commence other courses. Increasing numbers are taking double degrees. In universities, many students now enrol at the outset for a double degree. Very many people undertake more than one course of post-school study. Many persons switch across sectors. The simple examples given in Table 11, which show completion of selected courses in minimum time, do not reflect the full extent to which people avail themselves of public education and training funding. These wider scenarios will be considered in later work. Analysis of student flows in higher education is provided in Shah and Burke (1996) but the flow data have not yet been combined with the expenditure data considered here.

Conclusion

Public and private spending on education and training make a substantial demand on the nation's resources. Whether the current allocation is sufficient to meet the needs of our rapidly changing society and whether it is equitably and efficiently allocated are matters for continued investigation.

This paper provides a range of data on expenditure on education and training to contribute to the debate on the size and shape of funding. In several cases the estimates presented are subject to substantial revision both in the basic data and the method of analysis.

Compared with OECD countries Australia has middling levels of public educational outlays and a relatively small level of all public outlays. The need to constrain public expenditures is a matter of overall government priorities, not the result of very high levels of outlay that need to be wound back.

The paper documents the aggregate size of public and private spending on education and employer spending on training. It provides approximate estimates of spending per student or client in the main sectors of public education and for particular programs. These data are used to provide estimates of the public expenditures on persons who follow particular education or training pathways.

As stated earlier, the estimates presented are subject to revision both in the basic data and the method of analysis. Many of the estimates are for average outlays and there is wide variation around the average for reasons of location or mode of delivery or size of the group to be taught.

A student who leaves a government school at the end of junior secondary school will have had approximately $55,000 of public funds spent on his or her education. If he or she subsequently enter a traineeship about a further $2,000 is spent on training. An 'Engineering' apprenticeship costs about $13,500 in public funds. There is, in addition, an employer subsidy for traineeships and apprenticeships.

Senior secondary schooling in government schools costs on average about $16,000 in public funds, though there are differences across states. There are additional AUSTUDY payments to about half the students aged 16 or over. Undergraduate university courses involve public outlays of about $10,000 per full-time student per annum. A three year Business degree involves government outlays of $19,000, an Arts degree $25,000, a four year honours Science degree over $55,000 and a six year medical degree over $100,000. For university courses the HECS repayments offset a considerable part of the public expenditure. At the HECS rates levied in 1997 more than half the public outlays on Law courses will be recovered, and nearly half the outlays on Business courses.

VET courses cost less in public outlay than university courses. A major reason is that they are shorter. A two year advanced diploma in accounting could cost nearly $12,000 in public funds plus any AUSTUDY payments. The public outlays on an 'Engineering' apprenticeship could approximate $13,500 for the three years of part-time off-the-job training plus the subsidy to the employer of $4,000 (at the 1996 rate). There is a considerable variation in costs across different courses.

The data presented in the paper are mainly useful for estimating the outlays required in an educational pathway. On their own they tell us little about the relative efficiency or effectiveness of the various sectors because there are considerable differences in purpose. Secondary schooling is provided throughout the country implying quite small classes in some regional schools. Classes in all schools have to be offered in a range of key learning areas to ensure students have a suitable program, implying small classes in some subjects. TAFE institutes provide courses for students with the whole range of abilities. They may have to provide courses in a range of levels and of fields of study, in a variety of locations and at unusual times, all factors leading to small groups.

Universities tend to pay higher salaries and tend to have a greater infrastructure than schools and TAFE institutes, for example in libraries and computer facilities as well as in the science, engineering and medical areas. They are able to offset some of their additional costs by their main mode of teaching which requires a high level of independent student study outside the class room. This mode is possible given that universities do not cater for students of low academic achievement. Universities tend to provide a relatively low total number of class hours for their students. They also use lectures to large groups for a substantial part of those hours. For example first year students in Business at a university might attend class for 350 hours a year. This is about half the hours in a TAFE Accounting course and well under half the annual hours for a year 12 student. About 60 percent of the university students' class hours would be in lectures.

The large lecture mode of teaching cannot be used for those TAFE or school courses where class numbers are relatively low. In some TAFE courses, hands-on activity requires small groupings. Even if the student numbers were sufficient, the lecture mode may not be appropriate for the broader concerns of schools and the varied abilities of school and TAFE students. These points should also be borne in mind when the cost advantages and disadvantages of new forms of technology in teaching are under review.

In summary schools, TAFE and universities still have different functions. This may mean justifiably quite different requirements for class contact, class size and expenditures.

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Appendix Table 1: Examples of outlays on education and training

	Schools			University				VET				
	Primary schooling	Junior secondary	Senior secondary	Business	Arts	Science honours	Medicine	Advanced Diploma Accounting	Diploma in Banking & Finance	Certificate in Sales	'Engineering' Apprenticeship	Traineeship
Years of course	7	3.6	2	3	3	4	6	2	1.5	1	3	1
Hours per year	na	na	na	na	na	na	na	675	667	290	320	390
Unit cost per annual curriculum hour	na	na	na	na	na	na	na	8.8	7.5	10.4	14.2	5.4
Public $ per full-time year	4750	6024	8045	6388	8304	14053	17247	5919	5003	na	na	na
Total Public $ for course	33250	21686	16090	19164	24912	56212	103482	11838	7552	3026	13640	2106
AUSTUDY standard	na	na	3665	4408	4408	4408	4408	4408	4408	na	na	na
away/independent	na	na	6051	6692	6692	6692	6692	6692	6692	na	na	na
Outlay standard	na	na	7331	13225	13225	17634	26451	8817	6613	na	na	na
Outlay away/independent	na	na	12102	20077	20077	26769	40153	13384	10038	na	na	na
Employer subsidy total	na	na	na	na	na	na	na	na	na	na	4000	1500
HECS 1996 per annum	na	na	na	2450	2450	2450	2450	na	na	na	na	na
1997 per annum	na	na	na	4700	3300	4700	5500	na	na	na	na	na
Maximum payable at 1996 rates	na	na	na	7350	7350	9800	14700	na	na	na	na	na
Maximum payable at 1997 rates	na	na	na	13500	9900	18000	33000	na	na	na	na	na

Source: tables in the paper

Responses

The three brief commentaries that follow represent an initial response from key organisations in the community sector, the labour movement and from business to the seven original papers presented on 11 November 1997 in Parliament House Canberra.

Each response has a different flavour. Though each is the product of cooperation between the two organisations involved from each of these sectors, the manner of their preparation was left to the discretion of those concerned.

In the case of the business sector, for example, the response is the result of a process of consultations conducted in November/December, coordinated by the Australian Chamber of Commerce and Industry (ACCI) and the Business Council of Australia. These consultations involved representatives from business and industry associations, employers and schools and concluded with a "round table" meeting.

The community sector response has been written by Julian Pocock on behalf of the Australian Youth Policy and Action Coalition (AYPAC) and the Australian Council of Social Service (ACOSS).

The labour movement organisations involved are the Evatt Foundation and the Australian Council of Trade Unions (ACTU).

Australian Youth Policy and Action Coalition and Australian Council of Social Science

Julian Pocock

AYPAC Executive Officer (until December 1997) & ACOSS Board member

acoss

AYPAC

Mistakes are often useful highlights of where we need to improve. In sitting down to write a policy commentary on the Learning and Work: The Situation of Young Australians seminar I mistakenly typed 'The Situation for Young Australians' not, 'of Young Australians'.

Apart from the need for my typing to improve perhaps the title of the seminar highlights our most significant policy mistake. The situation of young people and the situation for young people are in fact different things and reflect different view points. The first reflects a process where young people are the subjects of examination and policy response; a process where others examine their situation from a distance.

To my mind the most important challenge in using the quite excellent research material presented at the Learning and Work: The Situation of Young Australians seminar is to begin to understand the situation for young people from their view point and construct policy responses which give life to their visions, aspirations and dreams.

Before assessing what policy implications we draw from the changes presented in the papers we must clarify why it is we are seeking to do anything in response. Our policy intentions when responding to changes in young peoples lives must be clearly identified. Too often policy makers leave too much unsaid and assume that we are all seeking to achieve the same objectives and have the same interests in mind; I suspect that too often we don't.

In my view it is important to distinguish between the issue of unemployment and the rights of the unemployed. It could be argued that our policy responses to youth unemployment are responding to concerns or issues other than the needs, aspirations and rights of the young unemployed.

Consider the following list of community concerns and issues related to unemployment and the policy responses that follow.

- That employers are unable to sufficiently access teenage labour at a wage level they believe matches their view on what young people are worth.

  (Policy response: Junior Rates/Youth Wages)

- That other members of the community find the presence and visibility of unemployed young people difficult to cope with and threatening.

(Policy response: Increased school retention rates/Activity testing/Labour market programs)

- That high levels of youth unemployment are a political embarrassment and have the potential to undermine public support for elected governments.

  (Policy response: Increased school retention rates/Dole diaries/Work for the Dole/ Tighter activity testing/ Social security fraud crackdown)

- That school systems are unable to service the needs of a larger and more diverse range of young people than they were previously required to when youth employment levels where higher.

  (Policy response: alternative school programs/Vocational education in schools/Industry programs)

- That families, parents and guardians are stressed and have difficulty in understanding why young people in their family cannot access employment when this was not as significant a problem for their generation.

  (Policy response: family mediation and reconciliation programs)

- That unemployment amongst young people contributes to a decline in community cohesion.

  (Policy response: Activity Testing/Work for the Dole)

- That unemployment is more prevalent amongst low skilled young people than those with post compulsory qualifications who are relatively well off and privileged.

  (Policy response: User pays fees in education and training/ HECS)

- That young people who are unemployed may become disinterested in employment.

  (Policy response: Youth work/Work for the Dole)

- That young people who are unemployed and have plenty of time to spend but not much money will reject dominant political, social and cultural norms and develop alternative sub cultures and economic systems which others find threatening.

  (Policy response: Activity Testing/Work for the Dole/Curfews/ Restrictions on access to public space/ law and order interventions/Police harassment)

- That young people who are marginalised from paid work will be at greater risk of self harm through a variety of means including the misuse of drugs.

  (Policy response: Youth work/at risk programs/activity testing).

Now the above list is not presented as an argument that these policy responses to youth unemployment have been entirely cynical exercises. It suggests though that vested interests drive policy responses and further that none of the policy responses listed have been driven by the young unemployed or an agreed position on their rights.

As a group the young unemployed have not sought policy interventions such as tighter activity testing, dole diaries, youth wages, work for the dole schemes, below poverty line income support, coerced or forced participation in school, being recycled through training or labour market programs, stereotyping by the media, victimisation by the State through police and other enforcement mechanisms, case management (public or private), family stress and breakdown or precarious casual and part time employment.

In essence all that the young unemployed have requested is what previous generations took for granted; the security that access to full time paid employment from their early teen years can provide. Their concern and policy response would produce a list which might only have one item ie;

- Access to paid employment is insufficient to the extent that young people are unable to complete the transition from dependence to independence and fully participate in the social and economic development of their community.

(Policy response: Job creation)

In my view that fundamental demand from the young unemployed confronts us, (ie those that participate in these debates), with our own policy failures.

Youth unemployment and the young unemployed have been the subjects of our policy concern for over two decades. Yet arguably we start each year in a worse position than the year before. Young people's access to secure full time employment continues to decline dropping from 58.5% of this group in 1966 to 15.9% in 1997. Some analysts suggest that by the end of decade there will be insufficient full time work for teenagers to enable it to be statistically measured; there will be zero percent of the teenage population in full time employment.

The major policy implication that I draw from the papers presented at the seminar is that we are failing. The paper presented by the Brotherhood of St Laurence reveals that we are more than likely going backwards with marginalisation and endemic poverty affecting substantial numbers of young people beyond those that are unemployed. Underemployment, intergenerational poverty and the rise of the working poor are the new phenomena we must tackle in the context of having spent over 20 years failing to address unemployment.

From my perspective some of the key policy questions that flow from the papers which we need to consider are as follows.

- **Young people and labour market**

How do we create new full time entry level positions which young people can access after completing the compulsory years of schooling ?

How do we ensure such positions provide a pathway to on going employment through skills development rather than a dead end in low paid low skilled jobs ?

Is there a need for an increased role from the public sector in entry level job creation particularly given the job losses flowing from the restructuring and re financing of state assets, instrumentalities and authorities ?

Why should young people accept anything less then equal pay for work of equal value, are all the little piggies equal but some more equal than others ?

Does acceptance of the youth wages position indicate that young people do not have equal rights as citizens? If so can we expect them to act with equal responsibility as citizens and do we risk undermining citizenship if we promote diminished rights for certain groups in the community ?

How reasonable is it to argue that young people who have completed 13 years of schooling should now have their wages discounted back to a level commensurate with that of a 15 year old as suggested in the paper authored by Mark Wooden ?

Does cutting young peoples wages in this way indicate that we believe they have developed no additional skills of value to employers by staying at school and if so, then why do we encourage them to stay in the first place ?

Could we justify such a position to young people who may feel they had been sold a pup by staying at school only to be told they were then to be employed in a job on a wage level they could have got if they left school at 15 ?

For those involved in policy development how many of our current and former labour market programs are of such high quality that we would urge our own children to do them with the same enthusiasm we urge them to go to University ? (sincere apologies to readers who don't have children but I think you will understand my point)

If labour market programs and work for the dole are not good enough for your kids what makes them good enough for someone else's ? Apply this little test to all responses to youth unemployment.

- **Young people and participation in post compulsory education**

To what extent is our focus on school retention a poor substitute for the broader Finn targets and how likely are we to achieve the targets by 2001?

Why did we establish the Finn targets without assessing if they related in any way to the aspirations of young people ?

What if given the choice would most young people from age 15 rather be doing, working or going to school full time ?

Are higher rates of participation in school and training driven by unemployment and the lack of something else for young people to do or are they a genuine response to unemployment ?

Rather than focussing on increasing the vocational content in the latter years of schooling would we better off focusing on ways to take the school into the workplace rather than work into school ?

Have we done enough to assess and reform the structure, governance, physical environment and operation of schools to ensure they suit the massively expanded diversity and number of young people they currently deal with?

Should the post compulsory years of schooling be offering all their curriculum on a modular and part time basis, in the evenings and on weekends, so young people can realistically combine school and work rather than having to choose between the two ?

Why aren't schools designed to fit in with young people and their lives as opposed to the work patterns of teachers and parents ?

If we designed a school from scratch would it look anything like most schools that young people attend ?

Is the predominance of increased participation in education and training as a policy response to youth unemployment consistent with what young people actually want to do ? If not how do we determine whose views to place more weight on, ours or theirs ?

Why do we construct early school leaving as negative anti social behaviour instead of creating secure pathways to skills development outside of school and encourage young people to leave school early and make the transition to independence sooner rather than later ?

- **Young people and incomes**

In the context of an ageing population, earlier retirement and later entry to the workforce what implications are there for young peoples ability to earn sufficient income to meet life cycle needs when their work life is being cut at both ends ?

What overall impact is the Higher Education Contribution Scheme having on the other life cycle income and savings needs of young people and what impact is it having on other financial decisions, ie home ownership ?

Do you accept poverty ?

If we cannot provide access to secure paid employment sufficient in quality and quantity for all those young people that need and seek it should we provide them with secure incomes through income support which is above the poverty line ? (Keep in mind your answer to the previous question).

Summary and Conclusion

My own view is that as policy makers we are yet to confront our own failure to create the jobs and security that young people need in order to make the transition from dependence to independence. This is the common message in all the papers presented to the Learning and Work: The Situation of Young Australians seminar. The papers clearly outline that the changes which are impacting on young people are massive and structural yet by comparison our policy responses have been small and marginal.

Until we face our failure we will not invest the necessary intellectual energy and community resources required to create the jobs young people crave. It is somewhat startling to stop and think about the enormous bureaucracy we have built in relation to education and training policy such as the Australian National Training Authority and layers of industry training boards and compare it to the lack of a national system to focus our best policy minds on job creation.

In concluding I am reminded of the Job for Young Australian's conference which took place in Adelaide in August 1995 and one of the keynote speakers, Jeremy Seabrook, who spoke passionately about the need to create real jobs and in particular the need to do it now.

> “ *What we urgently need to devise are not artificial schemes which savour of the occupational therapy ward, aninstitutionalised adventure playground to keep discarded human energies occupied and out of mischief.... [we need] labour intensive work, where people make, do, invent, exchange and give, where human need is answered as close to the point of consumption as possible, and where this cannot be done, looking further afield for the supply of necessities that are not available locally..... to enhance and validate, to raise up and exalt our capacities, not to see in labour an enduring obstacle to be overcome, a regrettable necessity which should in every way be done away with as soon possible, to celebrate our ability to do things, not to consign the answering of basic need to ghastly hell holes in the third world where people use up their lives for a pittance, whose identity is not even known to us.*
>
> *For their sufferings wind up being ours also; their invisible wasted hands join the wasted idle hands of our young in supplication to the leaders of a world who no longer know where they are taking us.... instead of passing over these issues, they should be at the heart of democratic debate; and not the least service we can render a new generation is to impose them onto the bland, managed and slippery agendas of those who are supposed to serve us.*[1] ”

[1] Jeremy Seabrook - Quotation from address to Job for Young Australians Conference, August 28-31 1995. As cited in conference outcomes: 'Investing In Australia's Future'. University of Adelaide.

The Evatt Foundation and Australian Council of Trade Unions

EVATT
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Where to now? Rather than pass comment on the specific strengths and weaknesses of the papers presented, our comments will focus on where we should be going in terms of an adequate social policy response to the issues raised, described and analysed.

As evidenced in the papers presented (particularly that prepared by the Brotherhood of St Laurence), the smooth post-war transition from childhood to adulthood has been dislocated for many young people by the long term structural collapse of teenage full-time employment; and an effective policy response has to be based on be a broad socio-political commitment to provide the socio-cultural and socio-economic resource base necessary to facilitate young peopleis successful transition to autonomous adulthood and active citizenship. There also has to be an awareness of young people's propensity to pragmatically solve their own problems with the resources at hand.

The concept of resourcing young people for active citizenship provides a basis for determining the array of policies and programs necessary to ensure all young people equitable opportunities to effect a successful transition to autonomous adulthood. Marshall's categorisation of civil, political and social rights provides a starting point for conceptualising the qualitative and quantitative resource requirements for autonomous adulthood and active citizenship.

Civil rights are largely a product (for some a long delayed product) of eighteenth century liberalism, and centre on the rights of the individual to own and dispose of property, and to legal equality. Political rights relate to the rights of the citizen to participate freely and equally in the determination of the governance of the nation state, and initially emerged (in modern times) from nineteenth century struggles for democratic suffrage. Both civil and political rights have their roots firmly embedded in the market system and in classical and democratic liberalism.

The twentieth century has been marked by struggles to secure the geo-political extension of civil and political rights and to secure the socio-economic and socio-cultural resources necessary to enable the full and effective exercise of those rights. The latter struggle - the struggle for social and economic rights of citizenship - has been seen by most to be critically oriented towards the market system. Tensions between market forces and state intervention in the market have emerged as the focus of the central moral and political debate of the late twentieth century.

Marshall saw the objects of these struggles as social rights: the right to accessible education, health care and accommodation, the right to employment and an adequate income. In short, these rights are characteristic of the developed welfare state, and the object of recent attack by neo-liberals. They can be summarised as the citizen's right to the socio-economic and socio-cultural resources necessary to facilitate full and effective participation in the economic, social, political and cultural life of their society.

More recently Marshall's analyses of citizenship rights have been adopted and extended as a means of strengthening claims to equitable access and participation. In turn these analyses, and Marshall's, have been subjected to critique by feminists who have argued that the debate has been a-historical, prefaced on white male assumptions, and been related to the dominant male modes of economic, social and political participation. Such analyses have sought to develop an analysis of citizenship which is inclusive of gender, race and ethnic divisions and inequalities as well as those based on class without falling into the trap of single factor reductionism.

Youth policy should have social justice and equity as organising principles, and the concept of adequately resourcing all young people to participate as active citizens should be the basis for reconstructing the institutional landscape through which young people chart their life trajectories. Such provision must ensure access to the requisite socio-economic and socio-cultural resources to facilitate effective life course decision making and full inclusive citizenship participation by all young people.

Young people negotiate their way through the complexity of structures, representative forms, images and icons to develop their own cultural groupings and their own under-standing of their world - their own world-views. They negotiate the obstacles they encounter in their everyday lives, and they chart their own life paths. They develop their own belief systems and their own subjective identities. These belief systems and subjective identities influence and are influenced by their actions in the physical and social world.

But they do not do these things in a vacuum. They do them in an always already structured world. The structures range from the form and dynamics of interpersonal relationships in the family and peer group to the structures of broad socio-cultural-economic institutions. Those structures are ever-changing: being changed by individual, collective and institutional actions which are more often than not intentional and rational (given the resources at hand), but which do not always produce the anticipated or desired result. The structures reflect past intentions and belief systems and carry meanings. They influence both the behaviour and beliefs of all social participants, including young people.

A prerequisite to developing policies to facilitate young peoples' structured and structuring problem solving, is the rejection of perspectives which either reduce young people to the status of puppets on the structuralist's string or alternatively inflate them to self actualising relativists on the post-modernistis de-constructing couch. In their stead, we must develop a nondualist understanding which simultaneously accounts for the presence and effect of structure and individual intentional action.

If disadvantaged young people are to secure more equitable prospects they have to be provided with a less restrictive array of ideational, economic, social and cultural resources which open up the possibility of their pragmatically identifying and pursuing more equitable and rewarding life options. This has implications for policies and programs relating to both structural and individual/small group socio-cultural barriers. At the structural level there is a need for policies designed to lower external structural barriers to educational and labour market participation and performance - socio-economic and socio-cultural barriers such as joblessness, poverty, homelessness, remoteness, institutional racism, sexism, and so on.

At the more personal, small cultural group and community levels there is a need for policies and programs designed to:

- establish the basis for intercultural communication with young people in a wide diversity of male and female sub-cultural groups;
- provide the basis for expanding the array of ideational resources available to young people in their effort to understand their lives and their world;
- provide young people with the security of cultural and personal identity to enable them to entertain the possibility of different life cycle options; and to
- provide the resources necessary for them to develop alternative hypotheses and pursue more effective and equitable solutions to their identity and transitional problems.

It also should be remembered that while there is a plurality of cultural forms and identities in modern Australian society, it is not a plurality of equally effective and powerful cultural forms and identities. The dominant cultural form is western, industrialised, liberal-democratic, middle class, male and Anglo-Australian. Any policy which seeks to expand the options, opportunities and prospects for young people living and forming their world views in structurally disadvantaging socio-cultural contexts, must address the need to provide them with the resource of critical literacy in the dominant socio-cultural forms.

These approaches have to be complemented by a range of social policy reforms designed to more adequately resource disadvantaged young people, their families and communities, and society at large. External barriers to unequal access to, and participation in education have to be removed through the provision of comprehensive family and community services and adequate income guaranties for families with dependent children. Comprehensive educational reforms have to be introduced to equitably resource schools, develop a democratic general curriculum, reform pedagogy, teacher education and teachers' work, and to decentralise and de-bureaucratise schooling. There also is a need for comprehensive labour market policies designed to reduce patterns of labour market discrimination, division and inequality, and vocational education and labour market program provision designed to secure broad based vocational competencies and equitable employment opportunities for all young people.

It is to fleshing out these policy suggestions that we should now turn, but in so doing it is crucial to remember that the policies and programs will fail if they are based on a misunderstanding or misinterpretation of the nature and causes of present conditions.

In this respect, as Richard Sweet points out, Australia's youth unemployment rates have been far too high for some twenty-five years now. The reflex response from many quarters has been a call to cut youth wages, a proposal rooted on the presumption that lower minimum wages for young people will see employers offer more jobs to them.

In fact, the presumption does not withstand serious scrutiny. The weightiest evidence in support of it was provided by the 1981 US Presidential Study Commission on the Minimum Wage. The most celebrated econometric estimates at that time seemed to say that a ten percent rise in the US federal minimum wage caused teenage employment to fall by between one percent and three percent.

These results have been re-analysed by David Card and Alan B. Krueger in their recent text "Myth and Measurement : The New Economics of the Minimum Wage". As they demonstrate:

> "When the same econometric specifications that were used during the 1970s are re-estimated with data from more recent years, the historical relationship between minimum wages and teenage employment is weaker and no longer statistically significant." [page 2; see also page 15 and chapter 6, pages 178-207]

That is, moderate increases in minimum wages do not cost jobs, and vice versa - cutting youth wages will not create them. This is not an isolated result.

In Australia the evidence seems consistent with it. Although the relevant facts are not well known, minimum award wages for (unapprenticed) teenagers in this country are higher in the retail sector than in manufacturing, with a differential of around 35% at age 16 falling to around 15% at age 20; but the retail sector employs about five times more 18-20 year old sub-trades workers than does manufacturing, and more than twelve times as many 15-17 year olds.

On the same employment measure, between 1986 and 1997 youth employment in the retail sector grew by some 70,000 or 30%, but fell by around 25,000 or 40% in manufacturing, *despite youth wages for retail workers rising relative to manufacturing by around 8% over the same period.*

The reflex presumption which calls for youth minimum wages to be cut rests on the employment response (ie elasticity) to an increase in minimum wages being large and negative. However, the international evidence shows that 'the elasticity of demand for minimum wage workers hovers around zero'. [Freeman 1996, page 641/2]

The "cut youth wages" mantra is based on a simple economic dogma, not on hard evidence. Meanwhile, the losers from such a policy if implemented will be young working people - some seeking to pay their way through secondary or tertiary study, some in precarious employment seeking simply to keep body and soul together.

The important evidence in this volume from McClelland, Macdonald and MacDonald shows clearly the desperate situation of the cohort of young people in the twilight zone. Cutting youth wages will only worsen their lot. It is a non-solution to the problem which a fair society will reject.

References

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"The Minimum Wage as a Redistributive Tool", by Richard B Freeman, The Economic Journal V106, May 1996, pages 639-649

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Australian Chamber of Commerce and Industry and Business Council of Australia

ACCI
Australian Chamber of Commerce and Industry

BUSINESS
COUNCIL OF
AUSTRALIA

Responses to Paper 1 :

'The Labour Market', Professor Mark Wooden

The paper raises doubts about the value of part-time or casual employment particularly for :

- early school leavers, where a limited formal education and lack of exposure to structured work place training, will impede skills acquisition and ultimately have serious detrimental effects on future employability; and
- students in casual employment, where such employment is likely to have little bearing on jobs obtained after completion of school and post-school education.

It is the view of business and industry that any form of work, paid or unpaid, is valuable. It has the potential to provide young people with experience, skills, a referee and evidence of key competency development. The paper 'down plays' these benefits and overall creates a negative perception of part-time and casual work.

The needs of business and industry are driving the increase in part-time and casual work. It would be counter productive to focus on full-time jobs as a means of addressing issues of youth employment. The McDonald's Vocational Certificate of Education (VCE) traineeship is one example of how part-time/casual work can be parcelled into an employee qualification that is valued and recognised by the broader working community. It should also be noted that a large proportion of students undertaking vocational education and training (VET) in schools are undertaking hospitality or retail studies which articulate into part-time/casual employment. There is a need to ensure that schools offer a diversity of opportunities for students which relate to the local labour market.

Business and industry believe that it would be valuable to young people to have the skills obtained during part-time/casual work documented and aligned with the Australian Qualifications Framework (AQF).

Schools need to encourage young people to see the potential benefits to be gained from casual/part-time work. Learning and external work experience must be better integrated, through school curriculums that help young people identify and list the competencies they attain during periods of part-time/casual employment. It is important that young people are encouraged to take responsibility for their own personal development.

Indications from business and industry suggest that the cost of teenage labour is a factor which does not necessarily impact on the number of job opportunities available to young people, including the 'at risk' non-student group. This issue may require some further empirical research.

Response to:
School participation, retention and outcomes, John Ainley

Business and industry have noted the report's finding that school completion rates continue to be higher among those with higher levels of earlier school achievements, females, those from 'enriched' social backgrounds and those from non-English speaking backgrounds. The paper implies that there may be particular boys who are disadvantaged. Business and industry see a need for the particular problems of this group to be further investigated before developing a full and considered response.

Anecdotal evidence presented to industry suggests that VET schools, while in its early stages, is experiencing difficulty in the implementation of particular projects. There is also a high drop out rate in some projects which could be due to a lack of support for VET programs from other teachers in the school. From an industry perspective there is value in running general VET and pre-VET programs at Year 10.

It was noted from Dr John Ainley's paper that VET programs in schools are not necessarily being taken up by the 'as risk' group but rather by others with clear vocational goals and capacity who are aiming for tertiary studies and others keen to obtain the 10% TER bonus. This is an important issue and needs to be addressed to ensure that all school students have access to VET programs and that a priority focus may be necessary to involve 'at risk' students.

It should be noted that young people 'at risk' tend to be based in particular communities which should be identified and targeted for VET programs. To achieve this, there may be a need for regional surveys to be undertaken.

Response to: Young peoples' participation in and outcomes from vocational education and training, Katrina Ball and Chris Robinson

It was noted that the recent expansion in trainee numbers has taken place proportionally in older age groups, with 50% of trainees aged over 21. Some sections of the community have expressed a concern but business and industry consider that this is reflective of the increased school retention rates.

NCVER's report of a forecast decline in employment in the retail trade sector, relative to other industry sectors, is strongly disputed by business and industry.

Response to:
Young peoples' participation in higher education, Simon Marginson

It was noted that up front payment fees for people who already have degrees may be a deterrent to individuals seeking to upgrade qualifications. This needs to be addressed.

Business and industry strongly support measures which improve pathways between TAFE and High Education. Business and industry also support universities being encouraged to recognise VET programs and qualifications, perhaps through more partnership arrangements, and joint delivery of courses.

Universities should also consider maximising third party access to facilities and extending courses over a longer period of each year thus enabling students to complete their studies in a shorter period of time. This issue of third party access to publicly funded infrastructure and facilities should be addressed as a matter of priority.

It should be noted that many employers place significant 'value' on VET qualifications. Interestingly, there is evidence of a greater number of students moving from University to TAFE, rather than TAFE to University, which has not been the case previously. This suggests students themselves are placing an increased emphasis on VET qualifications.

Response to:
Young people and labour market disadvantage: The situation of young people not in education or full - time work, Alison McLelland, Fiona Macdonald, Helen MacDonald

All sections of the community have a role when it comes to providing opportunities for 'at risk' young people. However, it is up to individual employers as to whether or not they choose to participate in initiatives.

School representatives believe that industry can play an important role in working with schools at a local level, to help prepare young people for work. This can be done in a number of ways. For example:

- mapping employment opportunities in particular areas;
- identifying the skills/key competencies that schools might assist young people to develop if they are to access local job opportunities; and/or
- providing opportunities for work placements.

Employer incentives and subsidies help off-set training and supervision costs incurred when employers participate in VET programs. They are an important mechanism in encouraging employers to take on young people.

Response to:
Youth incomes, John Landt and Philip Scott

The paper clearly demonstrates the extent to which youth incomes have declined. Business and industry have been advised that the effects of this will be felt by two groups in particular:

- young people whose parents are in the marginal income groups and who have limited access (if any access) to government support (the concept that parents should continue to support their teenage child is felt by many to be a middle class one); and
- by lower middle class parents struggling to support and educate their children, paying both school and university fees.

Response to:
Public expenditure on youth education, employment and trainingGerald Burke

Business and industry consider that:

university costs could, at least in part, be contained by a more efficient use of university facilities, and by condensing the time taken to complete courses.

teaching methodologies in both schools and universities must change/diversify in order to meet the needs of future students and prospective employers.

Issues And Recommendations

The following conclusions and issues have been drawn from the papers presented at the"Learning and Work: The Situation of Young Australians" forum:

- opportunities tend to be limited for the significant minority of young people who are not in full-time employment, education or training, and therefore the transition to a successful independent adult life appears less likely;
- the expansion of part-time work opportunities is primarily benefiting full-time students who occupy 80% of

such positions (the non-students occupying the remaining 20% are at risk of becoming marginalised);

- while the papers convey a sad picture for young Australians many more young people are succeeding in a variety of ways (the picture painted by the papers needs to be placed within this wider context);
- the views of school, business and industry need to be balanced. The research papers, while providing an interesting situation analysis, do not necessarily present a complete and realistic perspective from the variety of other people dealing with youth;
- VET in schools should be better targeted to reflect real job opportunities and skills shortages, particularly of local industry;
- schools need to recognise and promote the advantages of part-time/casual work and to better integrate work and learning;
- improved links and pathways between TAFE and higher education are required;
- universities and schools should be encouraged to maximise third party use of facilities;
- opportunities to supplement part-time/casual jobs with training opportunities such as part-time traineeships or 'stand alone' VET courses should be investigated;
- employer subsidies and incentives, to encourage business and industry to assist young people beyond their immediate needs, should be enhanced and publicised;
- additional hard data is needed on marginal groups, particularly by regional area;
- it would be advantageous if schools could provide information on the whereabouts of school leavers, after leaving school;
- additional statistical information about the transition from part-time/casual to full-time work would also be valuable.

Recommendations

It is recommended that:

- consideration be given to 'loading' or supplementing part-time jobs with training opportunities such as part-time traineeships or 'stand alone' training;
- the responsibility for providing job and training opportunities for the targeted 'at risk' group be shared by government, the community, the education sector, employers and the individual;
- early intervention strategies be implemented with equal emphasis in the school and post school systems;
- business, industry and government provide schools with on skills shortages, future demand and specific local job opportunities;
- while the funding and policy impetus for pre-vocational courses may have diminished, a reassessment be undertaken of the value of pre-vocational and stand alone VET courses in terms of their possible use in supplementing skills obtained at school and in work;
- employer subsidies and incentives be enhanced to encourage business and industry to assist in providing more job opportunities and to help offset training and supervision costs;
- VET and all Year 12 completion certificates be better integrated (for example, curriculum delivered in modular format that could better accommodate VET needs);
- the status of VET be increased among educators, parents and the community and that the same rigour be attached to school based courses as with the industry recognised TAFE based

equivalent;

- school industry links be maximised to break down cultural differences;
- school students be made aware of career options via an integrated program that develops and assesses key competencies within a context of educating the 'whole person'; and
- the school environment be utilised more broadly, introducing students to learning opportunities relevant to work.

This report, the first of what will become an annual report by the [illegible] Forum on the situation of [illegible]

[illegible]

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Australia's youth: reality and risk.

BEST COPY AVAILABLE

Australia's Youth: Reality and Risk is the first in a proposed series of annual reports addressing the learning and work situation of young Australians. This project is convened by the Dusseldorp Skills Forum in cooperation with:

- Australian Council for Educational Research
- Brotherhood of St Laurence
- Centre for the Study of Higher Education
- Monash-ACER Centre for the Economics of Education and Training
- National Centre of Social and Economic Modelling (NATSEM)
- National Centre for Vocational Education Research
- National Institute of Labour Studies

Further information and copies of Australia's Youth: Reality and Risk are available from the Dusseldorp Skills Forum: phone (02-9267 9222), fax (02-9267 7882) or email (info@dsf.org.au). The full set of documents are also available on-line at the DSF website <www.dsf.org.au>.

EXECUTIVE SUMMARY

Australia's youth: reality and risk.

Dusseldorp Skills Forum

In Cooperation With

Australian Council for Educational Research

Brotherhood of St Laurence

Centre for the Study of Higher Education, University of Melbourne

Monash University-ACER Centre for the Economics of Education and Training

National Centre of Social and Economic Modelling, University of Canberra

National Centre for Vocational Education Research

National Institute of Labour Studies, Flinders University of South Australia

March 1998

Introduction

Twelve months ago the Dusseldorp Skills Forum sought the cooperation of seven of Australia's leading research organisations in a quest to understand as fully as possible the learning and working circumstances of 15-19 year olds.

All agreed to work to common formats with mutually agreed research briefs. They shared their data, insights and conclusions in what has been a quite unique collaborative venture.

For all concerned this project has been driven by a shared desire to promote and support a better informed and consequently more substantive public policy debate on the learning and work situation of young Australians. This desire is reflected both in the detailed research and the rigorous process adopted.

On 11 November 1997 the respective researchers presented their work to policy makers from around the country in Parliament House Canberra. Since then, brief responses to these papers have been provided by representatives from industry (Australian Chamber of Commerce and Industry, and the Business Council of Australia), the labour movement (ACTU and the Evatt Foundation) and the community sector (Australian Youth Policy and Action Coalition, and ACOSS).

Finally, the Dusseldorp Skills Forum has mined this wealth of material to prepare a policy paper analysing the collective work and putting forward several potentially significant policy responses.

In essence this paper posits a way forward in terms of the broad directions - and key elements - for developing a more appropriate public policy response to the realities and risks confronting young Australians.

While the complete set of research papers comments and the subsequent analysis is contained in the full report, *Australia's Youth: Reality and Risk*, this Executive Summary is offered as an introduction to that more detailed and substantial body of work.

Youth Management to Youth Development: the Fundamental Shift

The story that emerges from the pages of Australia's Youth: Reality and Risk is disturbing. It clearly reveals that the shadow of marginalisation engulfing 15-19 year old Australians is larger than generally understood and growing. It does point to rigidities in policy and institutions which are in important respects failing to meet the demonstrable needs of our youth. It raises serious questions not only as to the current priorities in the allocation of public resources but also whether we are seeing increased public expenditure, where it exists is being matched with increased access to and opportunities for learning or work.

Yet this report is not a finger-pointing exercise. Indeed, genuine intent of the successive Commonwealth and State governments that have carried the direct responsibility for tackling the changed circumstances of young Australians in the rapidly changing world of the 1990s is not questioned. The question this report does ask and begins to answer is not "who is to blame ?" but rather "what is to be done?".

In essence, Australia's Youth: Reality and Risk presents a strong case for a fundamental shift in public policy from youth management to youth development. The future demands of us a genuine confidence in the abilities, talent and goodwill of young Australians: the task is to provide the environment (policy and resources) which nurture those abilities and deliver the opportunities for them to develop fully.

The Dusseldorp Skills Forum argues that this new research points to the key elements of the required shift as being:

1. An absolute priority for all marginalised young people - not only the unemployed but also those who are outside the labour force but not studying, and those in precarious part-time work.
2. Recognition of the pressing need to better address the phenomenon of early school leavers, including through a genuine "guarantee" backed by the resources needed to make it work (one option being a common entitlement as outlined below).
3. A stronger emphasis upon demand-side policies in the labour market.
4. Reform of upper secondary schooling, based upon a vision for the student majority.
5. A shift in the priorities of vocational preparation from what has failed to achieve greater youth participation(apprenticeships, traineeships, TAFE) to what has (school-industry programs).

The case for young Australians is not made at the expense of older unemployed Australians.

It does however recognise that ensuring that our young people do make a successful transition from school to full-time work or full-time study is a critical factor in their own future economic security and personal well-being. It is at the same time a most sensible investment in Australia's economic and social future.

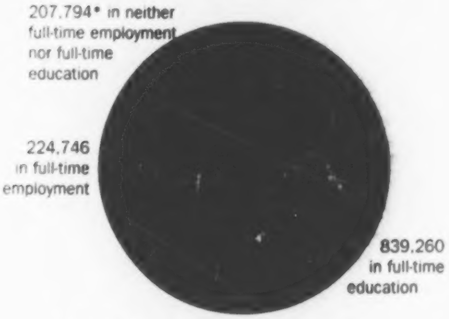
"Youth Unemployment" is Less than Half the Story

The very real difficulties young people now confront are frequently encapsulated in the public mind, as much as in policy makers' priorities, in the phrase "youth unemployment". However, youth unemployment is only half the problem and certainly less than half the story.

Snapshot 1996

- there were 1,271,800 young Australians aged 15-19
- 187,700 (some 15%) of these young people were neither in full-time work nor in education
- of these 187,700 an estimated 70% (over 130,000) had not completed Year 12

"The 15-19 year old population"
May 1996 - total cohort 1,271 800



* Includes those in part-time education and not employed full time

The evidence tells us that for every young person who is looking for work, at least one more can be found who is not counted in the official statistics on employment but who is not involved in full-time work or full-time study.

Moreover around 9 per cent of the total youth population are locked into marginal activities fairly consistently for up to three years. This is a group who, by the age of 19, have not participated in higher education, apprenticeships or training, have been unemployed for at least a third of their time since leaving school, and are unemployed or in part-time work at the age of 19.

As disturbing as these statistics are, it is generally agreed that if anything they understate the extent of marginalisation.

A Peculiarly '90s Situation

The situation in 1996 is not unique. Indeed, the value of this body of research in part is due to the time scales used which allow comparisons of over longer periods.

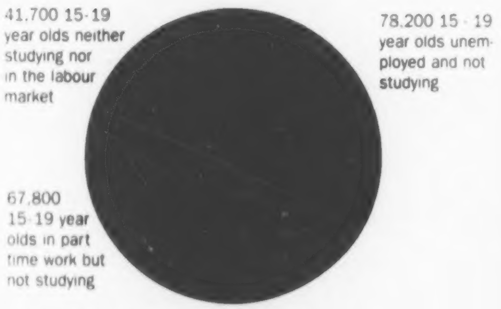
Many key indicators of the situation of young people in learning and work during the 1990s either show no progress, a reversal of improvements observed in the 1980s, or indicate a deterioration at an accelerating rate in their position in relation to other groups in society.

On the indicator that has been of most concern to policy makers - youth unemployment - the 1990s have shown no real improvement: the long term trend has been upwards, even if it is currently trending downwards. Youth unemployment has certainly fallen from its 1992 peak, but in 1996 was no lower in real terms than it was at the beginning of the decade.

The research presented in Australia's Youth: Reality and Risk indicates that the continuing deterioration of young people's circumstances in the '90s is at odds with previous decades, for example:

- the rate at which full-time employment has fallen for teenagers in the 1990s has been far greater than the rates of decline observed either in the 1970s or the 1980s;
- there has been a growth in the number of non-students and of school leavers involuntarily found in insecure part-time work not linked to training or education. In this respect, the 1990s again differs from previous decades, in which growth in part-time teenage employment occurred largely among students;
- the fall in school retention and participation during the 1990s (detailed below) is doubly striking, as it has occurred in the face of a continued fall in full-time employment opportunities. As a consequence it is not possible to argue that young people have been attracted out of school by an expanding labour market. In this respect the experience of the 1990s is in marked contrast to the experience of the 1970s and 1980s.

"Youth at the Margins"
By 1996, 15% (187,700) of all 15 - 19 year olds were living at the margins



- an estimated 70% of all youth described as being at the margins had not completed Year 12
- of those 41,700 neither studying nor in the labour market some 25,000 can be accounted for as being those on a variety of social security pensions and allowances, and some are in institutions. But many cannot be accounted for at all.

The '90s have seen a significant decline in the ability of post-school employment to act as a stable stepping stone to adult working life. This is reflected both in the nature of the work as well as in the changing quantity of work available to teenagers, for example:

- it can be seen in the rising number of teenagers who are not studying but are employed part-time.
- it is evident in the growing number of teenagers who leave school and proceed directly to insecure part-time jobs that rarely involve any formal training.
- the number of 15-19 year old wage and salary earners who received in-house training more than halved between 1989 and 1993, falling from 147,000 to 65,000.
- it is also evident in the changing composition of the full-time jobs that young people obtain: a noticeable shift in the nature of work for young people from better paid and more highly skilled jobs towards those that pay less well and require fewer skills. The result has been a noticeable fall in young people's earnings from full-time work.
- there is as well a marked drop in young people's earnings from part-time work.

The Situation for Early School Leavers

One of the most striking stories to emerge from the collective research on which this report is built is the particular impact these developments have had upon early school leavers.

In spite of the priority given to boosting school retention rates (as reflected in the nationally agreed Finn targets) there has been a significant fall in the holding power of Australia's schools. While this has been most evident at Year 12, it can also be observed at Years 10 and 11. The Year 10 retention rate has fallen below 1990 levels, the Year 11 retention rate is below the 1991 level, and the Year 12 retention rate has fallen to 1991 levels.

The implications of this become clearer when considered alongside the fact, as noted above, that of the 187,705 15-19 year olds in 1996 estimated not to be in full-time work and not in education, ABS labour force data suggests that 70 per cent had not completed Year 12.

There are additional indicators of the heightened impact of the '90s upon early school leavers:

- full-time employment among those under the age of 18 fell by 51 per cent between 1990 and 1996, but by 41 per cent among 18-19 year olds.
- those who have not completed Year 12 are more likely to enter part-time work unlinked to study than are Year 12 leavers.
- the incidence of marginalised activity (i.e. unemployment, part-time work not linked to study, or no education or labour market involvement at all) is more than twice as high among early leavers as it is among those who have completed Year 12.
- early leavers are more than three times as likely to be engaged in marginal activities for extended periods than are those who have completed Year 12.
- the fall in incomes from full-time work has been particularly large among 16-17 year olds, and the fall in incomes from part-time work has been particularly great among 16-17 year old males.
- only a third of those who leave school prior to Year 12, compared to two-thirds of Year 12 leavers, enter further education and training.

The VET Gap

The '90s have seen significant growth in vocational education and training (VET) and TAFE enrolments. Between 1990 and 1996 the number of students in this sector grew by some 40 per cent. Yet despite a clear priority for youth, all of the growth in the sector has gone to adults:

- between 1990 and 1996, the proportion of 15-19 year olds taking part in vocational education and training remained largely unchanged at around 20 per cent. This is essentially the same level observed among the age group in the mid 1980s
- between 1990 and 1996 some minor increase in participation rates by 18 and 19 year olds was recorded. However, this small lift in participation in vocational education and training was not sufficient to offset declining participation by younger teenagers or to affect the overall youth participation rate.

The expansion of employment-based structured training through apprenticeships and traineeships, rather than full-time institution-based vocational education, has been a key objective of successive Commonwealth governments, with the full support of State governments, since the mid 1980s. It has been seen as a key strategy in increasing young people's access to vocational education and training and in combating the difficulties that they face in the labour market.

Yet, here again, young people have not been significant beneficiaries of any such expansion:

- apprenticeship commencements by 15-19 year olds plummeted during the 1990s, falling by 21,592 or 44 per cent between 1989-90 and 1996.
- between 1989-90 and 1996 traineeship commencements by 15-19 year olds grew by 45 per cent from 13,247 to 19,253 - less than a third of the fall in apprenticeship numbers.

- the total number of structured training commencements (apprenticeships plus traineeships) by 15-19 year olds fell by 15,586 or 25 per cent over the period.

The modest absolute but substantial proportional growth in traineeship commencements by 15-19 year olds co-existed with a dramatic expansion in access to traineeships by adults. A program intended to be a new form of entry level training for youth has rapidly become an adult training program:

- in 1996 28,157 of those who commenced a traineeship were aged 20 or older, and teenagers constituted only 41 per cent of all trainees.
- data for the financial year 1996-97 show that 45 per cent of trainees are aged 21 years and over with 26 per cent aged 25 years and over (Allen Consulting Group 1997:8).

The decline in apprenticeship opportunities is likely to be a substantial part of the explanation for the shift towards shorter course enrolments by young people during the 1990s. In 1990 72 per cent of all vocational education and training (TAFE) enrolments by 15-19 year olds were commencing enrolments, indicating that the courses lasted for only one year or less. By 1996 this had risen to 80 per cent, indicating a declining role by the sector in providing extended and broad-based preparation for working life, and a growth in provision of courses of a short and more specific nature.

In contrast to these trends, growth in school-industry programs, in which young people acquire recognised vocational skills in a combination of the workplace and the school, has been rapid during the 1990s. Between 1995 and 1996 alone, there was a jump from 46 per cent to 62 per cent in the proportion of Australian schools offering these programs. From a starting point of zero at the beginning of the 1990, now some 12 percent of Year 11 and 12 students take part in these school-industry programs.

The Higher Uptake in Higher Education

Whereas the pathway from school to work weakened for young people during the 1990s, and became even more fragile for those not completing Year 12, the pathway from school to higher education strengthened.

Indeed broad government policy objectives for participation by young people in higher education appear to have been achieved. This is in contrast to the inability to meet such targets for the labour market, vocational education and training, and to schools.

During the early 1990s the Commonwealth placed a policy priority on school leaver entry and the research shows that there has been a significant rise in university participation by those under the age of 20 during the 1990s:

- between 1990 and 1996 the proportion of 17-19 year olds enrolled at a university rose from 15.2 per cent to 18.0 per cent.
- the growth in participation was particularly great among females, rising from 17.5 per cent to 21.3 per cent compared to a more modest rise from 13.0 per cent to 14.9 per cent among males.
- most of this growth occurred among older teenagers. Among 19 year olds in 1996, a record level of 30.4 per cent of females and 21.8 per cent of males were students in higher education.
- between 1991 and 1996 the proportion of Year 12 leavers who proceeded directly to university rose from 41.7 per cent to 44.2 per cent.

Growth in university participation by those under the age of 20 coincided with even greater growth in adult enrolments. Consequently, those under the age of 20 fell from 33.4 per cent of all higher education students in 1990 to 27.1 per cent in 1996.

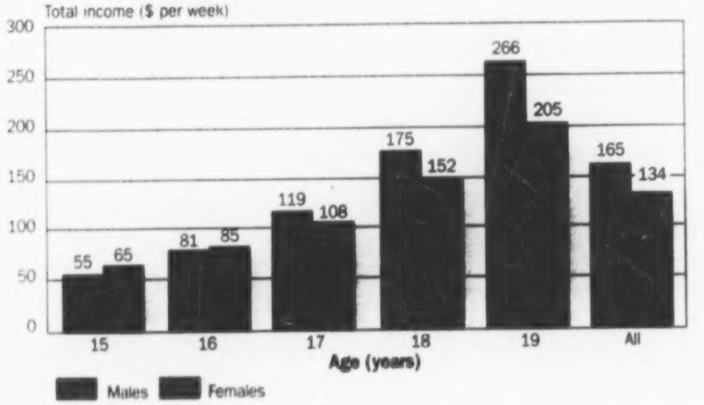
Personal Incomes and Educational Expenditure

Detailed papers on "Youth Incomes" and "Expenditure on youth education and training" are included in Australia's Youth: Reality and Risk. Both are sobering in the issues they raise but for different reasons.

On the question of youth incomes we learn, for example, that:

- Many 15-19 year olds have no income at all and are dependent on their parents. This proportion increased significantly between 1982 and 1994-95.
- The average income of those 15 to 19 year olds receiving some income was $150 a week in 1994-95, and had fallen significantly in real terms since 1982.
- Incomes of all part-time workers in the 15 to 19 population (including students) fell by nearly 30 per cent between 1982 and 1994-95. The incomes of full-time workers also fell, but by much less than part-time workers. There was a big drop in the number of 15 to 19 year olds working full-time.
- Teenage unemployment has increased and the proportion of teenagers with no income has also increased, as the eligibility criteria for government payments have become more stringent. For those unemployed 15 to 19 year olds receiving an income, real income levels have fallen slightly since 1982.

Figure 3: Mean total weekly incomes of 15-19 year olds, receiving income, by age and gender, 1994-5



Source: ABS 1994-95 Income Survey, Unit Record File

The information on expenditure on education and training, on the other hand, points to real increases:

- overall there has been an increase from 5.2 percent to 5.5 percent of GDP in the six years to 1995-96
- proportionally the increase is largest in private expenditures but nearly 90 percent of all outlays are still financed by governments
- most of this expenditure does go on the education of young people (though not 15-19 year olds exclusively).

The emerging issues here, however, are those concerning the adequacy of the current resources, the allocation of the existing resources and the associated need to assess the outcomes.

It is apparent, for example, that in terms of the stated goals of increased participation by young people, the 39 percent growth in real terms in public expenditure on higher education between 1989-90 and 1995-96 has been accompanied by an increase in teenage participation rates of several percentage points.

At the same time increasing young people's participation in vocational education and training has also been one of the central priorities of government during the 1990s. Between 1989-90 and 1995-96 government expenditure on TAFE increased by 21 per cent in real terms, from $1.9 billion to $2.6 billion. Commonwealth expenditure grew particularly rapidly, accounting for 28 per cent of total recurrent expenditure in 1995 compared with only 17 per cent in 1991.

However, as indicated above, the available evidence suggests that little has been achieved in return for this expenditure, when judged against the objective of increased participation by young people.

As already indicated participation rates in schools in each of the Years 10, 11 and 12 have fallen from their earlier peaks and all remain short of the stated targets. At the same time, there has been a 17% increase in real terms in government expenditure in the period 1989-90 to 1995-96.

Accepting the Challenge

Having assembled this comprehensive picture of the learning and work situation of young Australians, perhaps the biggest risk we face is to ignore the reality it exposes.

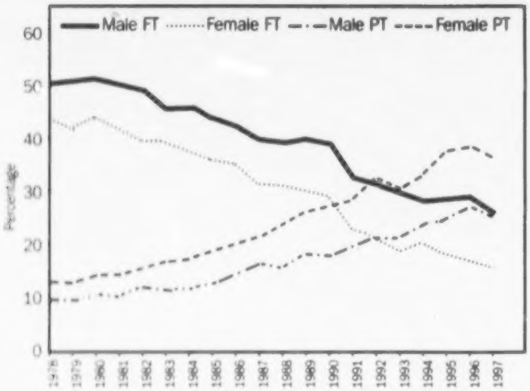
Economic growth and development are clearly essential for creating the preconditions for effective social policies. However, recent history tells us that they cannot necessarily be relied upon to deliver jobs for youth.

Public job creation strategies, by themselves, cannot necessarily be relied upon to foster the skills and qualifications that enable young people to compete for work effectively. The unemployment rate is a poor measure of what is happening to young people and the public policy preoccupation with youth unemployment on the evidence denies us the possibility of a more positive and responsive approach to the situation young Australians face in the '90s.

If we are to seize this opportunity to look afresh at our package of youth policies, this report suggests the following are among the key issues we will need to recognise:

- the problem that young people face in making the transition from initial education to working life: not only to find work but to be able to escape from a cycle of insecure, casual, temporary and part-time work after they leave school. Many drop out completely.

Figure 1: Full-time and part-time labour force participation rates among teenagers by sex, 1978 - 1997



Source: ABS, Labour Force, Australia, ABS cat nos 6203.0 and 6204.0, various issues

- the growing reliance upon part-time work -and the nature of that work- particularly for those who are not themselves full-time students.
- the question of whether low paid, part-time or temporary employment is a stepping stone to other better paid work or a trap that it is hard to escape from. It very much appears to be the latter: a carousel effect resulting in the "scarring" of the young people concerned.
- the fact that a large group of young school leavers are currently unable to move to adult working life through full-time work or education and training.
- the evidence of a failure by our major institutions - the labour market, education and training - to provide stable work and education and training opportunities for a significant proportion of Australia's youth. This applies particularly to those early school leavers who are least able to build a secure and stable bridge to adult life.
- the implications of the demonstrable lack of schools' "holding power"; for example, declining school participation during the 1990s has itself been a factor contributing to Australia's high level of youth unemployment.
- the substantial advantages to individuals who undertake vocational education, particularly in the initial years of employment.
- the continuing importance of entry level training particularly given that the notion of continual skills upgrading of employees has not as yet become ingrained across industries.
- the need to address the issue of resourcing: who should be paying for education and training and why ? how much should be spent on education and training by government ? have we got the balance right ? are we distributing resources equitably?
- the increasing necessity to look at the connections between education and economic growth and to more fully regard education as an investment.

So What is to be Done ?

The starting point in developing new, more appropriate policy responses is to **see all marginal young people** - not only the unemployed but also those who are outside the labour force but not studying, and those in precarious part-time work - **as a single group** for policy purposes.

This is because for many young people the boundaries between unemployment and other forms of marginalisation are highly fluid. It is further underscored by the fact that the way in which it manifests itself varies widely by age and gender. Moreover, given the evidence, the issue of early school leavers must be addressed as a matter of priority.

In this respect the Dusseldorp Skills Forum in its own contribution to Australia's Youth: Reality and Risk outlines a number policy suggestions. However, the Forum urges particular consideration of the following proposals as part of a viable public policy response:

- a common entitlement for early school leavers
- reforms to increase the holding power of our schools
- the creation of employment umbrellas for secure employment

The Forum presents these proposals confident that, as disturbing as the picture may appear, there is good cause for hope. Indeed, properly focused public policy can make a significant difference. The analysis provided in Australia's Youth: Reality and Risk, for example, shows that had school participation rates been maintained at their 1992 level, roughly 18,000 teenagers would have been removed from the numbers competing for work. The consequent reduction in the number of teenagers in the labour market would have been translated into a four per cent reduction in teenage unemployment. Rather than the 21.4 per cent rate observed among those neither in school nor in full-time tertiary study in August 1996 the rate would have been 17.4 per cent.

A Common Entitlement for Early School Leavers

Those who leave school before completing Year 12 must be a key target and a clear priority for more effective policies to improve the situation of young Australians in work and learning.

A common entitlement is proposed to deal more effectively with the needs of disadvantaged early school leavers. The entitlement is aimed at those under the age of 20 who have left school without completing Year 12 and who are not in full-time work and not studying. Its maximum value should be set at the public cost, calculated as $16,090, of providing a young person with a Year 11 and 12 education, a cost that would be incurred in any case by governments if the young person coming under the scope of the entitlement had decided to remain at school.

Assuming that the cost of the entitlement would, like expenditure upon Year 11 and 12 programs, be spread over a two-year period, the annual cost of an entitlement for early school leavers as defined here would at most be $1.05 billion per year. On 1996 expenditures it would result in educational expenditure only rising from 4.9 per cent to at most 5.1 per cent of GDP.

The real cost of the entitlement would be far less as it would subsume programs like Work for the Dole, the Jobs Pathway Program and other labour market program expenditure directed at young people.

The fundamental objective of such an entitlement should be to ensure that early leavers either:

- return to school or its equivalent in order to complete Year 12; or
- obtain an education and training qualification that is at an equivalent level such as a TAFE certificate or an apprenticeship; or
- obtain a full-time job that is linked to education and training.

Young people falling within the entitlement should be able to construct flexible personal action plans, should work in conjunction with a community-based mentor or adviser in constructing such action plans, and should be able to spend their entitlements in the settings of their choice.

An essential element would be a school leaver monitoring and tracking service, modelled upon the present Jobs Pathway Program, to ensure that no early leaver is able to fall through the cracks of the labour market without an early intervention and offer of assistance.

Such an entitlement would require substantial institutional changes, which are needed in any case if Australia's performance of the 1990s in preparing young people for post-school life is to be improved.

It will require:

- schools to actively put in place re-entry programs for early leavers, with more flexible ways of completing senior school qualifications.
- a far broader curriculum to meet the interests of a wider range of students otherwise disenchanted by what schools have to offer and by the ways in which it is offered.
- TAFE similarly to seriously examine the relevance and attractiveness of its courses for young people, and to incorporate substantially increased elements of workplace learning into its programs.
- increased emphasis upon community based advisory and information services for young people.

The entitlement would also need to be integrated with the income support arrangements for young people. The Government has stated its intention to introduce by 1 July 1998 a common youth allowance to make income support arrangements for young people simpler and more flexible.

The entitlement for early school leavers, as proposed here, would provide the positive incentive to undertake appropriate further education and training. It would thus complement the perhaps more negative incentive of the threat of withdrawal of income support under the Youth Allowance.

The effective implementation of an entitlement would result in Australia emerging as one of the leading countries of the OECD in its approach to youth policies, rather than, as in the case of vocational education and training at the present, being substantially behind most other countries. In doing so it could profitably learn a great deal from the Nordic countries which, in various ways, have been experimenting with youth guarantees for 25 years.

An entitlement of this nature would be an important signal to Australia's youth that the nation understands and is serious about their needs, as well as being a sensible economic investment in Australia's future.

Reforms to Increase the Holding Power of our Schools

The clear divide between the prospects of those who leave school early and those who complete Year 12 also provides a solid case for reducing the rates of early school leaving. Reversing the alarming fall in school retention rates that has occurred during the 1990s must assume a high national priority. This is unlikely to occur without reforms to the senior years of schooling that are more innovative and imaginative than the minimalist changes that occurred during the 1990s.

A vigorous national debate on the form, structure and function of senior schooling is required, centred around:

- the need for a far broader curriculum
- a more adult learning environment, and more adult learning styles.
- closer connections between the school and its community, including its employer community.
- the creation of senior high schools or colleges as the dominant model of upper secondary schooling, as is common in many other countries, able to offer a wider range of subject choices and a different and more adult atmosphere than can high schools that attempt to cater for the full Year 7-12 range.
- a new priority for guidance, counselling and career advice, particularly for the non university bound.
- monitoring and follow up services for all school leavers.
- increased funding for drop out prevention programs including remediation and early intervention programs.

The provision by employers of high quality structured work placements is, in the Australian context, a key aspect of the reform of upper secondary education to make it more relevant and attractive to students. Employers incur significant costs in providing resources for such placements in the form of mentors and lost productive time spent in training the student on an extended placement.

The external or public good benefits to the economy suggest that government should put in place greater incentives to encourage employers to participate in such programs.

If associated with appropriate guidelines, such compensation would be a strong incentive for employers to provide high quality placements for students to enable them to gain substantial credit towards recognised vocational qualifications.

Such compensation would need to be administratively simple. It should not be structured in such a way as to be a disincentive to the participation of small business. It could take the form of a direct payment, as now happens for employers training apprentices and trainees, or in the form of a tax credit.

The Creation Of Employment Umbrellas For Secure Employment

Part of the problem of the youth labour market is not so much that young people cannot get jobs, but that many of the jobs that they get are not taking them very far.

The aggregation of small amounts of learning and small amounts of employment, both by single individuals over time and by many individuals at the one time, can allow young people to gain access to better labour market information.

One example is the Hunter Labour Co-op, a not-for-profit temporary employment agency established by the trade union movement in Newcastle in 1986 to provide unemployed people with access to casual work under award wages and conditions. Like group schemes, the Hunter Labour Co-op is the legal employer of the worker, who is then leased out to the host firm. Also like group schemes, the Co-op takes responsibility for all administrative processes and costs such as payroll tax and workers' compensation associated with employment, and guarantees workers their entitlements. Its detailed knowledge of the skills and qualifications of the workers who are on its data base improves the selection process for employers. And workers are provided with better information on the availability of temporary work than they would have access to if relying upon their own resources.

However, unlike group schemes, those on the books of the Hunter Labour Co-op are given no guarantee of continuity of employment during down time. Nevertheless, roughly a third of those on its books find that they are able to aggregate multiple temporary and part-time jobs into the equivalent of a full-time job.

Such a model, if applied to the youth labour market, could improve the position of many early school leavers. Young people would be in a better position to compete more effectively for part-time work. They would also be able to build better bridges from insecure work to permanent employment.

To help young people specifically, the concept of a labour pool that aggregates employment needs to be supplemented by features such as the development of individual action plans and mentoring by older and more experienced community members. Other features need to be the better sequencing of successive periods of temporary work so that experience can be built upon and translated into learning and the more consistent assessment of the generic employability skills gained in successive periods of temporary work. Portfolio building would also be a key element to record employment experience as well as the specific and generic skills gained through both employment and other activities such as community service.

Such a concept is for young people is not idle theorising. It is currently being piloted on the New South Wales Central Coast. Early experience with it shows that it represents a flexible response at the local level to the needs of youth, and incorporates many of the best features of case management into a business operating on a commercial but not for profit basis.

A Final Word on Accountability

Accountability emerges from this project as a central issue which warrants a serious policy response.

Australia's Youth: Reality and Risk clearly demonstrates the need for a much greater preparedness on the part of governments (and through them related institutions) to establish the measures for youth policy outcomes. Moreover, it is imperative that such measures be subject to independent evaluation. "Accountability" in this sense is not a matter of apportioning blame but rather establishing processes for better ensuring proper assessment of the efficacy of policy and associated programs.

The report puts forward specific set measures relevant to this.

The Finn targets provide some measure of the capacity of young people to improve their chances in the labour market. However, their focus is on educational attainment and participation and not on labour market outcomes. Nor are they in a form that permits international comparison. To monitor the situation that young people face, the Forum proposes three indicators in addition to the Finn targets for 19 year olds.

These are:

- The proportion of the population aged 15 to 19 years not in full-time education and not in full-time work;
- The ratio of the unemployment rate among 15 to 24 year olds to the rate among 25 to 54 year olds, and
- The proportion of the population aged 20 to 24 years who have completed Year 12 or a post-secondary qualification.

These indicators also have the additional advantage of permitting ready international comparisons with data produced by the OECD.

As part of its contribution to better informed public policy on youth, the Dusseldorp Skills Forum will be seeking to further develop the use of benchmarks such as these in cooperation with other interested parties.

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